THE BUSINESS WEEK

A Journal of Business News and Interpretation

MAR 25 1930

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Signs of Spring

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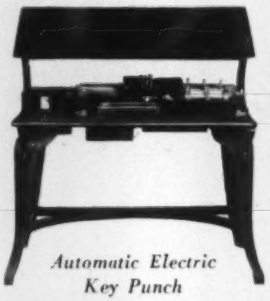
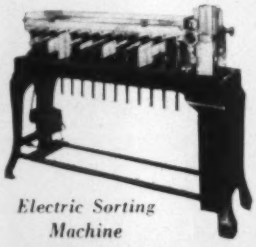
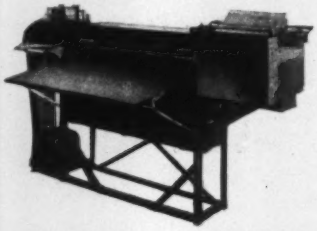


Automatic Electric Key Punch

Automatic Gang Punch



Electric Sorting Machine



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THE BUSINESS WEEK (with which is combined The Magazine of Business), March 26, 1930. No. 29. Published weekly by McGraw-Hill Publishing Company, Inc. Tenth Avenue at Thirty-Sixth Street, New York, N. Y. James H. McGraw Chairman of the Board. Malcolm Muir, President; James H. McGraw Jr. Vice-President & Treasurer; C. H. Thompson, Secretary. $5.00 per year. 15c per copy. Entered as second-class matter February 15, 1930, at the post office at New York, N. Y. under the Act of March 3, 1879. Printed in U. S. A. Copyright 1930 by McGraw-Hill Publishing Company Inc.

THE

BUSINESS WEEK

A JOURNAL OF BUSINESS NEWS AND INTERPRETATION

NEWS OF THE WEEK ENDING MARCH 22, 1930

WHAT'S IN THIS ISSUE— AND WHY

DEBATE grows spirited, almost acrimonious, over the question of unemployment. Newest figures are not encouraging.

JUST as important as the question, "How many are out of work?" is," What are we doing for them?" THE BUSINESS WEEK's canvass shows employers have made progress toward more humane policies since breadlines last were seen.

OHIO took the Hoover program and really put it to work. Concrete results are demonstrable, more will follow.

ROAD building soon will absorb part of the army of jobless. We'll be spending a billion and a half on roads this year. We need to. Our roads better than hard gravel are 5% of the total mileage.

CHASE and Equitable and Interstate join, forming the biggest bank in the world. How valuable is that trademark? Bankers make interesting replies.

THE public utilities are opening a new merger season and there's good hunting ahead now that the stock market and money rates are a little easier. But Matthew Sloan says that prospective economies are going to be the big factor in 1930 mergers.

ELECTRIC Bond and Share joins Standard Oil of New York to form a giant corporation controlling natural gas properties. What this may mean in the growth of the rejuvenated gas industry is worthy of study.

COAL men, watching gas narrowly, talk of building alliances.

THE Battle of Youngstown has settled down to the exchange of brave communiqués.

JAMES A. Campbell, through a cloud of cigar smoke, discusses steel, mergers, life in general, as things look to a hardy Scot at 75.

ARTIFICIAL wool is speeding up; hopes to emulate the success of rayon and has made an impressive start.

TAXI-TRUCKS are Germany's newest. They might do well here.

FORD's study of wages abroad goes forward. He finds European workmen good, and the best-paid the cheapest.

RUSSIA's industrialization is beginning to bear fruit. A study reveals what progress the Soviets are making in export markets.

CANADIAN PACIFIC has "owned" travel to the Orient for decades. Suddenly it is challenged by Americans and Japanese.

JUST how do you buy a house by mail? How does it get built? New developments in the field prompt a study of the technique developed by Sears, Roebuck and Montgomery Ward.

EVER get by mail a box of neckties you hadn't ordered—with a note saying please buy, or return? The business now runs to $70 millions a year.

ECONOMICS OF THE ELECTRICAL INDUSTRY

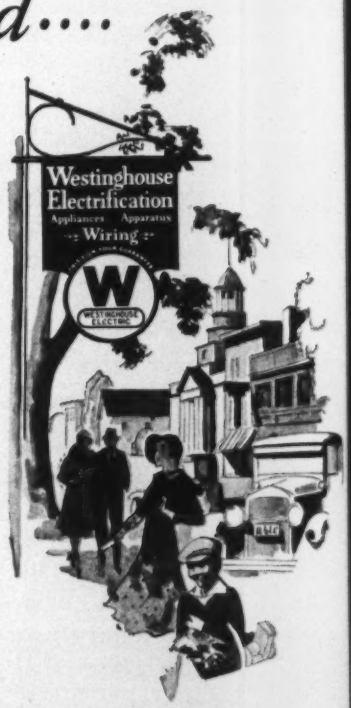
FEEDING NEW POWER

to Men who feed the World....

Agriculture is still the world's greatest industry—and feeding the world is still the most important responsibility that any industry shoulders. Through good times and depression, we must have the grain, the produce, the meat and the dairy goods that the farmer and ranch-owner supply.

For centuries the farmer has borne his burdens and responsibilities alone. But in modern times he has begun to find a powerful ally in electricity. High tension electric lines fling their network over remote areas and bring new power to his door. Electricity grinds his tools, chops his feed, churns his butter, milks his cows. Electric pumps bring water for his stock and household use—make deserts bloom for him with the magic of irrigation. Electric light and electric appliances bring new comfort and happiness into his home.

The development and extension of farm electrification offer tremendous possibilities for the future. The active leadership of Westinghouse covers every phase of manufacture in this field, from the generating and distributing apparatus that supplies the power, to the motors and appliances that put it to work.



ELECTRIC POWER BUILDS BUYING POWER

Westinghouse

THE BUSINESS WEEK

March 26, 1930

March Income Tax Payments Relieve Fear of Shrinkage

THE effect of the stock market crash on the national income for 1929 was much smaller than expected. Incomes of individuals were slightly reduced, but corporation income—which goes to individuals eventually—was up by 5% to 10%. Early returns on federal income tax payments made March 15 tell the story.

Payments for the first quarter are now expected to total about $550,000,000, as compared with $600,000,000 for the same period last year. But corporation tax rates are 1% lower and individual rates have been cut, so a reduction has been expected. The indicated total is in accord with government estimates.

The record gains of the first nine months of 1929 apparently counterbalanced almost entirely the effect of the last three. Corporation earnings for 1929 were somewhere between 12% and 20% above 1928. Dividends and interest payments to individuals ran higher, wages were increased and trading profits were enormous during those first nine months. The last three couldn't wipe out all that.

Actual realization of its estimates will be a welcome relief to the Treasury's worried statisticians. The reduction of taxes effected to aid business, coupled with heavy expenditures of the Federal Farm Board, has put government finances on a narrow margin. It would take only a slightly greater decrease in income or a slightly greater increase in expenditures than the estimates called for to force abandonment of the tax reduction and, perhaps, require other emergency measures.

The first week's receipts of the quarterly income tax payments usually show the trend, but, to keep up the record, payments for all four quarters must, of course, hold up proportionally.

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End of the Tariff Now in Sight

IF consistency is a jewel the Senate is as bare of ornaments as Lady Godiva. If there has ever been a period in legislative history when there was more backtracking, sidestepping and wandering from accustomed and appointed paths than has occurred during the past few weeks in the Senate wing of the Capitol, historians have failed to record it.

Three weeks ago, the Democratic-insurgent Republican coalition was in safe control of the tariff bill. Rates were being reduced with monotonous regularity. Old Guard leaders had the sponge in their hand ready to throw in the ring when a gladiator from Bristol, Pa. came to the rescue—and how. Instilling new life into tired tariff toilers, wooing individual Democrats and insurgents into devious paths, the fledgling Senator Grundy has succeeded in imposing or raising tariffs on long staple cotton—long on the free list; turpentine and rosin; sugar; litharge, red lead, sodium and potassium; cement; glass; maple and birch flooring; and many other less important items.

The new bloc—called the "plunderbund" by some malcontents—has not had all plain sailing. Higher pig iron rates were beaten; a proposal to raise aluminum rates was dropped without a vote. More recently rayon rates were reduced and, after a 3-day verbal battle, hides, leather, boots and shoes were continued on the free list. Wednesday a proposal for a tariff on oil and oil products was defeated; Senator Blaine slipped over a joker by which half of cement imports—used for public works—come in duty free!

Vote Trading in Vogue?

Apparently justifiable charges of vote trading have been made in the Senate. High tariff leaders have won many votes from individual Democrats and insurgent Republicans in return for more consideration of needs of the latter's states. Most of the credit for this result is given to Senator Grundy. Within a few weeks he has accomplished what Senators Smoot, Watson and others failed to do in nearly 9 months.

The bill may be completed this week; certainly it can be sent to conference before another week passes. Possible action there is more uncertain than ever. The present Senate bill is considerably nearer the House bill than was expected three weeks ago. This should expedite agreement in conference committee.

Business Outlook

THE early spring showers of easy money that have fallen on the stock and bond markets this week started the speculative sap rising, but the buds on the trees of business evidently need a little more statistical sunshine from industry and trade before they dare open. Steel activity continues to cool off instead, and carloadings are not picking up fast enough to warm up the rails or the earnings reports of the railroads. Nor, judging by bank debit figures, has there yet been enough vigorous exercise in writing of checks to stir up much faster circulation of money outside stock trading centers. And for those who haven't check books, the increase in employment is still too slight to afford much exercise or stimulate much appetite for goods.

But building is definitely on the upswing, and open weather will bring increased opportunities for outdoor work and greater demands upon many lines of industry. Federal and local governments are clearly working in close harmony to push public work, which is already at the highest level in years. With commodity prices evidently nearing their bottom, the wholesale dollar nearly ten cents above par and money offered for a song, it should not be long before business generally will feel inclined to take a chance and join in the more cheerful chorus which the stock market is leading.

Just now it is standing around marking time, but in a few weeks it is likely to fall in and catch on to the more lively rhythm of spring.

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The Cartels Fight A Losing Battle

THE European steel cartel—the largest and perhaps last of this type of experiment in international industrial cooperation—took on a new lease of life in Paris last week. The cartel had been getting somewhat shaky during 1929. The Paris meeting was called to decide the future of the combination and make a new agreement replacing the original one signed in 1926. The duration of the new agreement was not definitely fixed, but the countries involved are to carry on under it until October. The 10% reduction in the total annual quota of 30 million tons is to be continued for three months more. Prices on certain products were increased. There is apparently no extension of coverage of the combination, which now includes a third of the

world's steel ingot capacity. Great Britain, Poland and the United States are not included. Although there have been persistent rumors of informal participation of American steel interests, the understanding is that nothing came of this, and that instead our own little steel cartel, the Steel Export Association, embracing Bethlehem and the Steel Corporation, may likewise take on a new lease of life and concentrate on foreign markets in view of the excess capacity and slack business in this country.

The most important feature of the new agreement is that the European producers have voted to pool their foreign sales efforts and operate through five international sales offices on a more definite quota basis. This means a more intensive drive for foreign markets and possible conflict in many markets where American steel is looking for expansion, especially in South America and the Far East.

These sales offices will deal each in certain types of semi-finished steel product. Actual sales will be carried out by syndicates or individual producers in each country, but all orders booked will be cleared through a central agency in Luxembourg, which will administer the quota arrangements. According to the latter, export quotas will be increased or decreased in proportion to changes in domestic sales, and penalties imposed for production in excess of quotas.

Cartels On Wane

This may be the last of such international agreements because the cartel movement in Europe has tended to weaken in the past year and to be replaced by actual international combinations. The international rail cartel has been renewed for six years. The pipe cartel, in which British and American interests participate, will probably be renewed March 31. The European wire rod cartel has been extended for ten years, and there are a few other special lines of steel which are still working on the basis of such loose international agreements. But these developments are far less important than such international combinations as the consolidation of Dutch and English margarine and soap interests, the extension of the Swedish match trust, the consolidation of German and Dutch rayon producers and the financial participation of American electric interests in German industry during the past year.

The relative weakness of international agreements in the form of cartels was strikingly illustrated by the collapse of the international price fixing agreement in rayon under the weight of overproduction last year and the subsequent tendency toward amalgamation of rayon concerns along international lines. The combination between the German Glanzstoff and the Dutch Enka sets up a concern representing a daily capacity of about one-quarter of the world's rayon capacity. A similar instance is seen in the combination of British and American nickel producers, which provides a degree of world control beyond anything accomplished by an international cartel.

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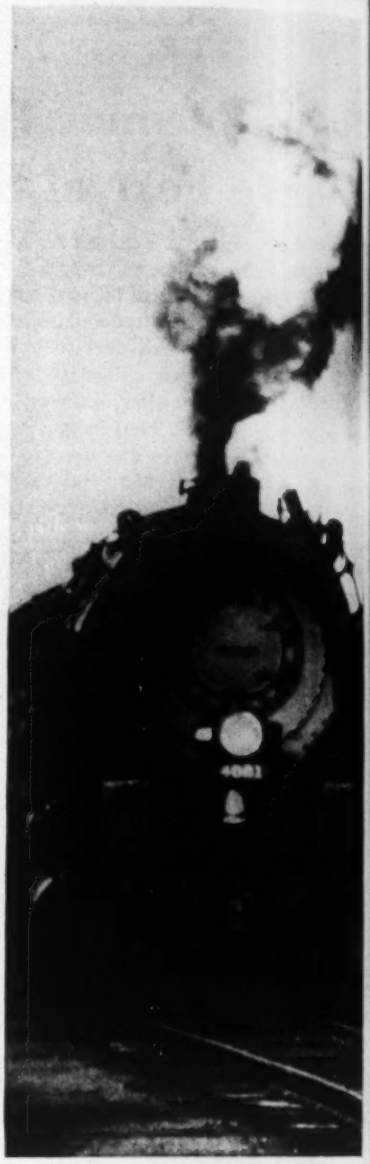
Europe's Wheat Buyers Tighten Strike Lines

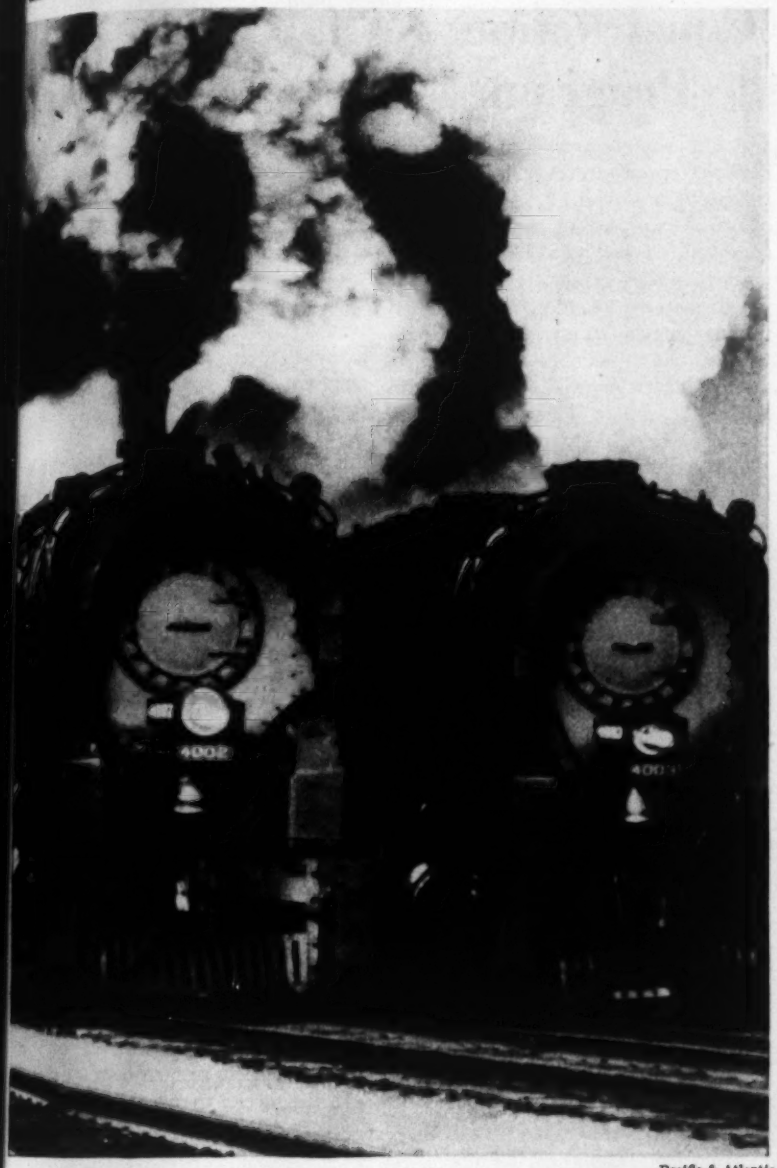
THE wheat market has been holding fairly steady during the past week, mainly under intermittent pressure of Farm Board buying of May and later wheat. The situation appears to have settled down to a systematic game of put and take between a bearish market of speculators on the one hand and a lone bull, the Farm Board, on the other, pending more definite news about the prospective wheat crop. The way the game is being played is something like this: Most of the operators are trying to sell May wheat for the best price they can get. Agents for the Farm Board are well known and carefully watched. When they bid, the whole market seems to know it and stops selling. The price rises a few cents, the Farm Board agents buy, and then the market slips back.

The Department of Agriculture's report that the winter wheat acreage in thirteen countries was only six-tenths of 1% less than last year was not very encouraging. Nor is the prospect of improvement in export demand any more hopeful. Wheat exports for the week ended March 15 were 371,000 bushels against 224,000 in the preceding week and 590,000 last year. This has been about the average rate for some months and is only a fraction of the 9 million or so bushels which we should have to export weekly to bring the carryover down to the average of the past five years.

Evidence becomes clearer that there has been a definite buyers' strike against American wheat developing in Europe during the past year. This had its beginning after the war when Europe began to worry about how it was going to make payments to other countries for war debts and other things and maintain its currencies. European countries one after another began raising tariffs, starting campaigns of education, setting up milling regulations and special duties, developing domestic agricultural production and restricting as much as possible their dependence upon supplies for which they would have to make payment outside. One way or another, Europe has cut her requirements to the point where she is taking only 9¼ million bushels of foreign wheat, and has kept up that rate while watching the surplus accumulate in the other countries. In the first weeks of March the whole world was taking only about 10 million bushels of wheat with 18½ millions available in exporting countries. From Canada and the United States together only 4¼ million bushels were being required against 16 million bushels available weekly.



In the expressive language of the street, North America is getting an awful licking in this wheat business.



Pacific & Atlantic

TEN THOUSAND HORSES

Three of the twenty-five locomotives now pulling the fast freights for the Boston and Maine. Each weighs 337 tons and cost $100,000. Each has the power of 3,400 horses. They are the biggest rail power units in New England

Only 25% of Our Roads Improved

IN these weeks, as the sun begins to melt the lingering snow in the hedgerows and dry up the mud, one of the biggest armies in the world advances to attack one of the biggest jobs in the United States—the road building job of 1930. An army of about 625,000 pick and shovel privates together with engineers, contractors and officials, will start on our highway program for this year.

This army will eat up a lot of money. Out of the cloud of figures of proposed expenditures on highways that have been floating around all winter, it is reasonable to choose one guess regarding the amount that will be spent for 1930. Last year, we know that about $1½ billions was spent on state and county highways. This year the amount is expected to reach $1,650,000,000, of which $800,000,000 will be spent on state roads and $850,000,000 on county roads. If expenditures by cities for streets are added the total will come to about $2,500,000,000.

Taxpayers will squawk, as usual, when they or their grandchildren come to pay this bill, but very few of them will ever admit that they have enough good roads.

Some time ago THE BUSINESS WEEK said in an editorial that our roads are still largely cowpaths. This was only a slightly rhetorical way of expressing the fact that the United States is still somewhat backward in road building compared with other countries. The vice-president of the Associated General Contractors of America himself said recently that road building in the United States is "like agriculture, one of the biggest in the country, but most misrepresented, disorganized, and demoralized." This is not to discount the tremendous progress that has been made in recent years. Ten years ago only about $500 millions were spent annually on state and county roads.

The United States has about 3 million miles of highways, exclusive of city streets, which is almost 40% of the world total. Nevertheless, disregarding the quality of road surface, the United States occupies only twelfth place among the countries of the world in the amount of highway in proportion to its area. It has about one mile of road to the square mile while Japan leads the world with about three miles of road to the square mile.

We Stand Only Twelfth

The United States, however, has the unenviable distinction of possessing the greatest mileage of unimproved roads—2,390,000 miles, or more than 75% of its total highway mileage. To this should be added about 460,000 miles of earth, sand, clay and gravel road, graded and drained, but hardly serviceable all year round. The total mileage of fairly durable or permanent roadway is only about 167,000 miles, little more than 5% of the total mileage.

Comparisons with other countries are somewhat difficult, but the highway specialists of the Department of Commerce, using the figures available, find that the United States stands twenty-fifth among the countries in the amount of hard-surfaced road of all types in proportion to its area. It has about a mile of hard-surfaced road to eighteen square miles of area, as compared with the record holder, northern Ireland, with a mile of hard-surfaced road to about a half square mile of area. Even some of the so-called backward regions, like Tunisia, British Malaya, Jugoslavia, Ceylon, Bulgaria, have higher proportions of hard-surfaced roads.

The bigger the country, of course, the bigger the job. That we are making progress is evident when we consider that six roads are now improved along their whole length from north to south across the United States, and one improved road, east and west across the continent, is completed.

Labor ► Ohio Pushes Construction; Has State Wide Program

OHIO has placed all her resources to work for the stimulation of employment. Since the first of the year the state has let nearly $10 millions of highway contracts; has expedited utilization of $11 millions of school bonds authorized last year; has organized a statewide committee to speed up private enterprise and public works; has placed full responsibility for stimulation of employment and elimination of unemployment upon the State Department of Industrial Relations; has laid plans for four permanent committees—on public works, public employment offices, stabilization of industry, unemployment data—which will assist in the present situation and will devise means to prevent its recurrence. This program, says Fred C. Croxton, special assistant, Department of Public Relations, has already achieved valuable results.

On December 5, directly after President Hoover's industrial conference, Meyers Y. Cooper, governor of Ohio, assembled the commissioners of the 88 Ohio counties, assured them of state cooperation in expediting public works.

During January and February, the Highway Department let contracts totaling $6,500,000; during March $2,750,000 more will be let. On February 15 all county surveyors, sanitary engineers and city engineers were queried concerning contracts already let or to be signed before April 1. Authorities in school districts where bonds had been approved last year were asked to report on construction progress.

On February 28, the governor called into conference the president and secretary of Ohio Chamber of Commerce, Ohio Bankers Association, Ohio Farm Bureau Federation, Ohio State Federation of Labor, Ohio Manufacturers Association, Ohio Newspaper Association, Ohio State Council of Retail Merchants, Ohio State Grange, Ohio Building Association League. These officials were asked to serve as a temporary committee on unemployment to organize temporary county committees.

Each of the organizations appointed a representative in each of the 88 counties except Cuyahoga and Hamilton, where local committees were already at work. First meetings were held in 45 counties March 10; in 41, March 11.

Labor ► Other Countries Plan for Jobless

UNEMPLOYMENT is not confined to this country, is widespread throughout the world. Exclusive of the United States, recent information indicates that number of unemployed in important industrial countries is as follows: Germany, 2,300,000; Great Britain, 1,500,000; Japan, 750,000; Italy, 600,000; Mexico, 300,000.

In Mexico, President Rubio has recently announced plans that follow the general tenor of suggestions made by President Hoover and include renewed activity in governmental construction projects, industry and agriculture.

While German unemployment is extensive and has given the government many sleepless nights, optimists assert conditions are not so bad. They maintain that at least half a million of present unemployed have been added to the industrial army by the changes in the social structure of the population; that these are former wealthy persons ruined with the old paper mark. Some 700,000 more turned to industry when army and navy reductions were made. Still another 350,000 workers are added each year by normal population increase.

Improvement in British employment during January was followed by another decline in February. During the middle of the month total number of registered unemployed was 1,520,000, 47,000 more than three weeks ago, 177,000 more than a year ago.

While Canada considers adoption of a dole to aid her unemployed (THE BUSINESS WEEK, March 19) her sister dominion, New Zealand, has already turned to this remedy. A fund of $3,500,000 will be distributed annually to unemployed; the fund will be supplied by contributions of workers over 18 years. Payments to men over 20 average $5.25 a week; to women, $4.37. Men between 18 and 20 receive, $3.75; women, $3.18. Married women will receive $4.37 weekly plus $1 for each child under sixteen up to four.

Keystone

AERIAL HIGHWAY TO HELP NEW YORK'S TRAFFIC PROBLEM

Construction is proceeding rapidly on the elevated motor road which will border Manhattan's western shore from West to 72nd Streets. The highway will have eight traffic lines, with no side entrances or exits, and will be especially convenient for traffic to the financial district

Financial ► Savings Accounts Are Climbing Back

SAVINGS deposits now appear definitely on the upgrade. Savings bank officials generally report that the recovery of deposits, which began in December, has become more pronounced in recent weeks. March figures show a close approach to the normal rate of growth. Building and loan associations and insurance companies are also getting back funds withdrawn last fall.

This is all good news for those interested in the 1930 construction program. Construction must be financed by long-term money. Savings banks, life insurance companies and building and loan associations are, by far, the most important sources of such funds.

International News

HEADS BIGGEST BANK

Winthrop W. Aldrich steps from the presidency of Equitable Trust Co. to that of the Chase-Equitable-Interstate combination, whose merger story is told on page 22

Banking ► **Security Companies Are Under Probe**

WHAT are the security companies affiliated with national banks doing? Comptroller John W. Pole, Uncle Sam's official supervising national banks, wants to know. Mr. Pole examines national banks, but the banks usually have their security companies incorporated under state charters, and he can't examine them. Yet most of the companies are virtually integral parts of the banks. Mr. Pole has made the request for power to examine these along with many other requests to Mr. McFadden's House Banking and Currency Committee, before which he has been testifying for several weeks.

Mr. Pole isn't the only curious one. Bank stockholders themselves, in several cases, want to know, and sometimes can't find out. Primarily, the security companies represent that part of the commercial bank which does investment banking, brings out securities issues, etc. Because of them, some banks have had to meet charges of stock jobbing, which say that they have been bringing out issues through their security affiliates and recommending to investors who may be depositors. Other charges also are made.

The National City Company, the security affiliate of National City Bank of New York, is one of the largest. Interest was centered in this company when Charles E. Mitchell, chairman of the bank, flatly refused to inform stockholders as to operation of the company.

Insurance ► **February Sales Encourage Hope That Slump Is Checked**

THE business recession accompanying the stock market crash hit life insurance sales sharply. Now sales of new policies are picking up again, according to February figures, compiled this week by the American Association of Life Insurance Presidents.

The first two months of 1930 saw $1,443,000,000 of ordinary life policies sold, an increase of 7.4% over the same period of 1929, strengthening hopes for another consecutive record year.

But ordinary life insurance sales were little affected by either the stock crash or the business recession. People continued to insure and, in some regions, there was a sharp increase as they chose insurance to create estates in place of the uncertain stock values. Ordinary life policies totaling $8,801,000,000 were sold in 1929, an increase of 7.3% from 1928. And more insurance was sold in December than in any other month of the year.

Industrial and group insurance, directly hit by the business slump, are still in trouble, but February brought some improvement and more encouragement. Industrial insurance sold in the first two months of this year ran 13.3% lower than for the same period of 1929. This type of insurance had increased with prosperity in 1929, but went off 4.9% in December, 18.0% in January and 7.8% in February. Sales have totaled $430,840,000 the first two months of this year against $496,776,000 the same period of last year.

Group Insurance Ups and Downs

Group insurance has suffered even more, but, on the other hand, shows more definite signs of recovery. After making several big gains in 1929, December sales were 28.4% below the preceding December. January sales were off 34.8%. Then came February, with an increase of 2.3%. But the two-month period is still off 21% from the first two months of 1929.

Group insurance is one of the newer forms, and has had a jumpy career. Sales in 1928 went up to $1,336,328,000, an increase of 62% from 1927. Sales in 1929 were down to $1,185,365,000, a decrease of 11.3% from 1928. And the first two months of 1930 are already off 21%.

All forms considered together, life insurance has barely held its own during the first two months of 1930. Total new sales have been $1,998,673,000 as compared with $1,997,526,000 in the same period of 1929—an increase of 1/10%. January sales were off 2.9% from January, 1929. But February showed an increase of 3.1% from February of last year. The more favorable showing of February for all forms has brought about the belief that for insurance, at least, the effect of the recession may be about ended.

International Newsreel

SHADES OF PAUL BUNYAN!

Machinery has at last invaded the forests, long sacred to the ring of the axe. In Russia, woodsmen use a motorized saw with which they fell trees many times faster than with axes

Distribution ► States Aim Sales Tax To Bring Down Chains

THE Southern offensive against the chain store systems appears to have been concentrated—for the time being at least—on attempts to control or drive them out by legislation.

Georgia is now putting into effect a new form of sales tax—2 mills on the dollar of gross receipts of all retail stores, and 1 mill on the dollar on the gross sales of wholesalers. An exemption of $30,000 is allowed, but—and this hits the chains—only one claim for exemption may be granted to a taxpayer, regardless of the number of his stores. Says the law: "When a manufacturer conducts a manufacturing business and also operates a retail store or stores, all owned by the same person or corporation, but one exemption will be allowed for the entire business."

Tax 1% of Gross

In Texas the House of Representatives has passed a bill levying a tax of 1% on the gross receipts of chain stores, taxicabs and shoe shining parlors, provided there are more than 5 in the chain.

Kentucky has adopted a graduated gross sales tax of 1/20% on sales under $400,000 a year, increasing to 1% on sales of more than $1,000,000. The Kentucky Legislature is also wrestling with two bills written in response to the charge that chain stores sell foods in packages of smaller size than those in which the same foods appear on independents' shelves. One bill would require all commodities in container form to be marked with the weight, measure or numerical count. No reasonable variations are permitted, as in the Federal Food and Drug Act. But it would not apply to containers put up in the presence of the purchaser. The other bill would require food advertisements to declare the net weight of the container contents of the product advertised.

What Is a Chain?

In Virginia the Assembly passed a chain store tax bill, but the Senate killed it because no agreement could be reached on what constitutes a chain. The original bill set a tax on every store after the first. An amendment fixed the tax to begin on the first store after the fifth. This situation grew out of the fact that, in both Maryland and Virginia, many leading stores years ago established city branches —never more than five. This led to an effort to suppress the report of the trial census of distribution in Baltimore a year and a half ago, on the ground that the report defined a chain as "any retail company having more than one outlet."

Labor ► Boston Garment Workers Win

BOSTON saw on March 17 the return to work of 1,500 garment makers after the shortest strike in the history of the International Garment Workers' Union. Arbitration brought about settlement after a walkout of a day and a half. The union achieved three cardinal points in the pact: The 40-hour week, marked progress toward the elimination of sweatshops, and the creation of a permanent impartial chairmanship. Increased wages and the establishment of an unemployment insurance fund were not granted, but can be brought up before the impartial chairman after the first year of the two-year agreement.

Parties to this agreement were the Cloak Manufacturers Association, the Cloak Jobbers Association, the Cloak Contractors Association, the New England Dress Manufacturers Association, the New England Dress Contractors Association, and the International Ladies Garment Workers' Union.

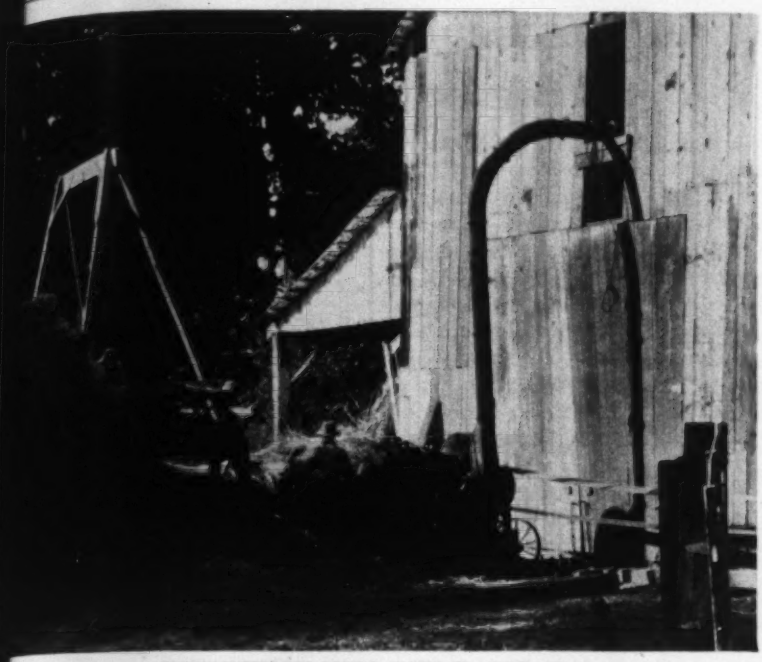
About 95% of the cloak industry and 85% of the dress industry in Boston are now organized, according to David Dubinsky, secretary of the International Ladies Garment Workers' Union. Peculiar to that city, however, is the problem occasioned by local jobbers not members of the jobbers' association and not parties to the agreement, who secure production from New York sweatshops in place of Boston contract shops. The garments so bought are sold to Boston department stores as Boston-made products, and the buying public thus unwittingly fosters sweatshop conditions in New York. Efforts are being made to curb this practice with the cooperation of Boston department store heads.

It is understood that the Boston agreement, similar in general aspects to the New York pact of February, will be followed shortly by union efforts to secure similar arrangements in the garment industries of Baltimore, Philadelphia, Kansas City, and Portland, Oregon.

Keystone

ANOTHER WORLD'S BIGGEST

This time it's an airplane—the Caproni 6000, recently built at Milan and larger than the famous German DO-X. It is for military purposes and powered by six 1,000 H. P. engines



EFFICIENCY HITS THE HAYMOW

Its capacity has been greatly increased since Western farmers began to use this power-driven ensilage cutter to chop half-inch lengths and blow them aloft through the long pipeline. All farm boys endorse the innovation

Distribution ►

Concrete Takes a Tip From Farm Cooperatives

IF a cooperative is the most efficient machinery for marketing farm products why not the most efficient for concrete products? "It is," say concrete products manufacturers in and around Milwaukee. And politicians, lawyers, and farmers have gasped, while manufacturers have grinned, over the formation of Milwaukee's new Concrete Products Cooperative Association.

It is an association without capital stock to whose membership any manufacturer of concrete products in Milwaukee County is eligible upon acceptance by a majority of the board of directors. Each member agrees to sell exclusively through the association all concrete products he produces or delivers in Milwaukee County. The sales are apportioned by the association on a predetermined quota basis. Any member making a sale other than through the association is liable to a fine of 30% of the sale price. The only exception permitted is sales at members' yards, provided they are immediately reported.

If it is found at the end of the year that any member has made deliveries in excess of his quota, he pays the association 15% of the standard sales price of the excess deliveries. Deliveries short of quota are reimbursed by the association at 7½% of the sales price of the deficiency. Bad debt losses are borne by all members proportionate to quotas.

On the 15th of each month, the association turns over to its members collections for the previous month's business, less a 12% deduction for bad debts, operating expenses, and taxes. The board of directors has authority to place with any member each order received by the association. The member must produce the item called for, get it from some other member, or have it deducted from his quota and given to some other member.

Distribution ►

Dry Goods Jobbers Form Alliance

TWENTY jobbers under the leadership of C. J. Farley of C. J. Farley & Company of Grand Rapids, Michigan, have organized the "Independent Wholesale Dry Goods Alliance," and expect to add 30 or 40 new members within a short time. Its primary aim will be unified merchandising promotion; secondary will be unified buying.

At present the organization covers these cities: Zanesville, O.; Allentown, Pa.; Reading, Pa.; Bristol, Tenn.; Keokuk, Ia.; Grand Rapids, Mich.; Columbus, O.; Richmond, Ind.; Parkersburg, Charleston, and Wheeling, W. Va.; Philadelphia; Providence, R. I.

Distribution ►

Plans That Keep Up Employment

A STUDY of methods of reducing seasonal business slumps is being made by Edwin S. Smith, for a committee of prominent Boston business men. A questionnaire has been sent to a selected list of a few hundred leading manufacturers throughout the country asking what they have devised to keep employment steady.

Data on merchandising, sales, and production policies are coming in. Some manufacturers add new lines to fill gaps; others simplify lines to eliminate peaks. Some intensify sales pressure and advertising in dull times to get more than the normal volume of orders; others withdraw salesmen and reduce advertising to save waste effort when buyers are out of the market, devise other work for salesmen, and produce standard goods ahead of orders. Some develop an export market to use in dull times; others handle their foreign markets so as to even up seasonal demand. Some do business with wholesalers because, in the past, the latter have served them loyally; others do business through wholesalers because cost analysis has shown that that method is cheaper, for their present volume of business, than trying to deal direct. Some forecast their business and then set up semi-annual or annual budgets; others budget on the past year's business and revise on the basis of frequent current checks of the course of business.

Distribution ►

Producers Swing Back to Jobber

HAVE the executives of the agricultural marketing cooperatives begun to change their minds about the respective merits of jobbing and direct selling? Recent developments indicate that, to some extent, they have. The California Walnut Growers' Association recently abandoned its branch offices and announced that it would sell through established brokers in the great jobbing centers. Now the Sunland Sales Cooperative Association, distributor of Sun-Maid raisins, has done the same thing.

The change, in both instances, is directly opposed to the general movement away from jobbers in the food industry. It may be due, in part at least, to the counter-offensive of wholesale grocers in establishing chains of cooperative retailers whose buying they control. They have thus put themselves in a position to offer the producers a definite volume of sales through controlled outlets, and at the same time, are able to shut off sales from those who refuse to deal with them.

Distribution ►

Equip Home Electrically In One Instalment Sale

PURCHASE of all electrical appliances for the home under one long-term contract with very low down-payment is the latest effort of the electrical industry toward complete electrification of the home, a goal toward which all units in the field are strenuously striving.

First to adopt the plan is the British Columbia Electric Company, Vancouver. Says Edmund E. Walker, sales engineer of the company: "By spreading payments over a 3-year period, we make it possible for a customer to buy four or five appliances for about the same monthly payments as the regular terms on a washing machine or a range, and this plan meets our real competitors, the piano salesman, the car salesman, the furniture man, and others striving for the consumer's dollar." Major appliances are considered to be: refrigerator, washing machine, range, dishwasher, ironer, and water heater. Average total cost of these five items comes to about $960.

Further applications of the single-sale principle as advanced by electrical merchandising specialists include combination of utilities and electrical dealers in one city or territory in a cooperative buying agency to purchase in volume from manufacturers. Utility and dealer-salesmen would sell complete electrification to each home and requisition the appliances from a central warehouse. National financing houses would handle the paper for each sale on a 6% basis to make possible the instalment plan. Finally, the cooperative organization would install and service the appliances as part of the "one-sale" plan. All sales agencies would sell on the same terms and get the same sales aids, such as advertising, display, and demonstration.

Industry leaders see in the plan a way to increase volume of appliance sales from 20% to 30%, reduce the first cost of appliances appreciably, attain mass production and volume purchasing, give terms of payment that will compete with other business, and relieve householders from piecemeal purchase of appliances, troubles with wiring, installation and servicing, and large financial outlay.

Prohibition ►

Half Seized Stills Use Corn Sugar

MORE than one-half the stills seized nowadays use corn sugar. Production of corn sugar has increased sevenfold since 1921 (152,000,000 lbs. to 968,000,000).

Denatured alcohol and alcoholic preparations are used in only 5% of the seized stills. This is held to indicate that cooperation between industrial alcohol producers and users and the prohibition enforcement officials has been effective.

Corn sugar mash is used by illicit distilleries in preference to cane or beet sugar, cornmeal, or molasses because of its rapid fermentation. The protein content of corn sugar provides sufficient yeast food so that, when accelerated by heat, a ripe mash is produced within 24 hours. Ordinarily, corn sugar also enjoys a price differential of $1.50 per hundredweight. This is an advantage even though cost is not a primary factor.

The government alleges that producers of corn sugar, yeast, and other commodities have knowingly furnished their materials for illicit alcohol production.

Underwood & Underwood

NO LOOSE NUTS HERE

The Union Pacific has installed on its tracks a rail joint nut lock invented by Charles H. Sellers. The device will not permit the nut to loosen from vibration or wear, though it can be removed easily if desired

International News

OFF FOR EUROPE

E. H. H. Simmons, president of the New York Stock Exchange, with Mrs. Simmons, recently left market troubles behind and sailed for Naples

Utilities ►

Service Keeps Car Lines Crowded

IN the vicinity of Milwaukee electric transportation systems are meeting—and beating—automotive competition which has blasted the hopes of many a traction magnate. Milwaukee Electric Railway & Light Co., serving important towns in southeastern Wisconsin, increased its passengers during 1929. In Milwaukee, city car lines carried 3,800,000 more passengers than in 1928.

Attention to public demands appears to be the reason.

Associated Press

THE OLD FAMILY BLIMP

That's what Anton Heinen, wartime Zeppelin commander, says he has begun to manufacture. It will be "fool-proof" and cost about $1,000

Labor ► **Marshals Opinion On 5-Day Week**

GRANTING that the 5-day week may still be an experiment, it has aroused a great deal of discussion—most of it favorable—and, in the words of Glenn A. Bowers, Industrial Relations Counselors, Inc., it is apparent now that the proposal "is not to be lightly cast aside as a fantastic dream of social reformers."

A bibliography recently compiled by the Industrial Relations Section of Princeton University indicates the extent to which the 5-day week has been accepted as a valuable experiment by business men of the country. Among all the commentators, only the president and general counsel of the National Association of Manufacturers; F. J. Moss, president of American Sash & Door Co., and the late Elbert H. Gary have expressed outright disapproval of the 5-day week.

On the other side, expressing unqualified approval or welcoming it as a useful experiment, are arrayed officials of American Federation of Labor, Labor Bureau, Inc., Industrial Relations Counselors, Inc., National Industrial Conference Board. In addition the 5-day week has been publicly approved by such well-known men as David Friday, Henry Ford, John J. Raskob, William Wrigley, Jr., Irving Fisher, Henry S. Dennison, Secretary of Labor Davis and several others.

Russia ► **Soviets Begin to Pull Weight in World Trade**

WHEN Russian matches flared up in European markets last year, and made a valiant but unsuccessful effort to light their way into the United States match market, the world became conscious that Russia's industrialization program was beginning to bear fruit.

THE BUSINESS WEEK, delving deeper into frequent trade reports from London, Berlin, Constantinople, found facts, discovered just how far the Soviet has already become an industrial distributor in world markets.

Russia is actually a factor in Europe and in the Near East in the export of textiles and oil products. Russian Oil Products, Ltd., is pushing retail outlets throughout Great Britain. The ubiquitous ROP filling station has outspirited John Bull on the gasoline market with the slogan: "ROP—that's the spirit." With Arcos (All Russian Co-operative Society, Ltd.), ROP, Russo-British Grain Export Co., Ltd., and the Russian Wood Agency, Ltd., the Soviets are getting a firm hold in British markets, sell twice as much as they buy through London. Russian grain, fruit, butter, and lumber swell the British import total.

Germany is Russia's greatest market outlet, buys nearly 30% of all Russian exports, concentrates on hides, furs and bristles, eggs, casings, beans and bran, lubricating oil, iron ore and scrap, and asbestos.

In Germany, as in Great Britain, oil is becoming the featured product. Through Derunaft, the Soviet are establishing retail outlets; the filling station is making money for Soviet industrialization.

Germany and Britain offer too stiff competition for most of Russia's manufactured products. But along the thousands of miles of southern frontier are countries more backward, ready to buy bolts of Russian cotton print, yards of Russian linen, increasing quantities of Russian oil and farm machinery. Persia, Turkey, and China are Russia's best outlets now for the first manufactured products under the new industrialization scheme.

When vast shipments of Russian matches suddenly made their appearance in Germany, Sweden's shrewd Ivar Kreuger became worried, began to plan. Imports of Russian matches into Germany have been multiplied by 10 each year since 1925, when about $200 worth entered the country. Last year well over $3 million worth entered Germany's highly competitive market before the governmental monopoly to the Swedish

International

FIRST SOVIET FORD

In Henry Ford's $30,000,000 contract to put Russia on wheels, 15,000 Fords will be built or assembled in this plant at Nizni Novgorod this year; 400,000 annually after 1934

Match Trust in the autumn headed off the onslaught.

In Belgium, where no such monopoly control exists, two local match factories have gone down this month before the deluge of Soviet matches. A cartel of Belgian match makers failed to stem the flood. The American Chemical Society has received a report that one-third the matches used in Belgium now are of Russian make.

Japan, too, is destined to feel the Russian influence in the silk market. A not-to-be-ignored element in Europe's self-sufficiency in supplying raw silk in the last two years is Russian shipments to Italy. The Central Asiatic branches of the three big silk trusts of Russia now employ 10,000 workers in modern factories, in which more than 1,000 looms are in operation. Until machine installations are completed, Russia is exporting silk worm eggs to Persia, Afghanistan, and even to China.

New Canneries Help Tin

The depressed tin industry has grasped eagerly at recent announcements from Moscow that 55 food canning factories will be erected in Russia before 1933 to handle increased foreign demand for canned fish, fruit, and vegetables. The first of the large canning plants built under the Plan at Odessa in 1928, turned out 10 million cans of fish products last year. One order placed in September with the Food Machinery Corporation of San Francisco indicates that the United States is sharing in the equipping of these new canneries.

Tied to a cash or limited credit basis in buying in foreign markets, Russia's industrialization program depends on maintaining an export surplus in potential foreign markets. The foreign trader in producer-products is watching this export program as a credit index. The foreign trader in consumer-products is anxiously studying these exports for changing trends in his foreign markets.

Advertising ► Faint Heart and Haste Make Waste

PRINCIPAL sources of waste in advertising are: Quitting after having started campaigns, trying to cover territory too fast, and attempting to impress rather than serve the reader. Other causes, not so important, are lack of preparation, lack of market analysis, and failure properly to analyze product, manufacturing and distribution. So declares Kenneth M. Goode, advertising consultant, who believes that most wastes in advertising could be prevented by spending more money.

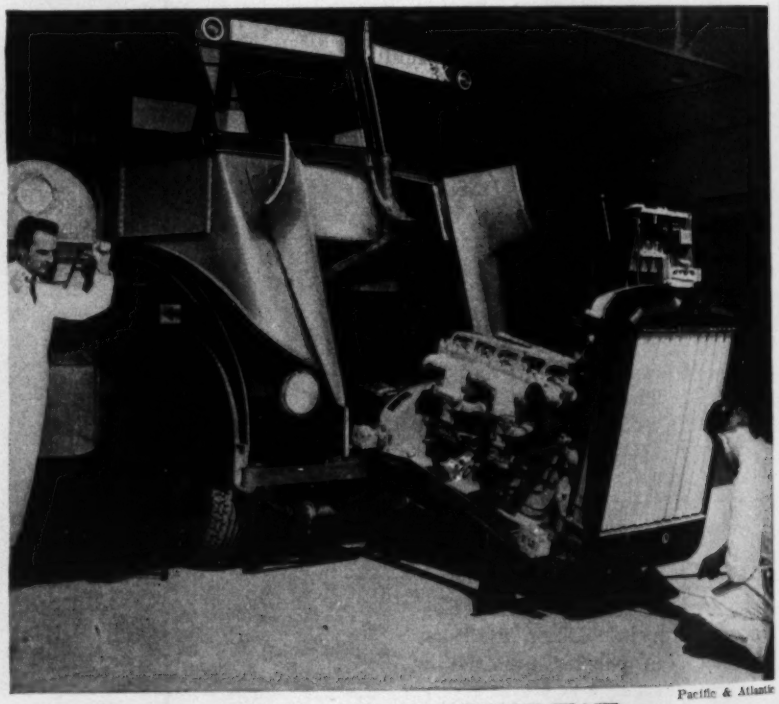
Utilities ► Electricity Plants Foot In Natural Gas Field

ENTRANCE of Electric Bond and Share Company into the natural gas field on an extensive scale is indicated with the announcement this week that the company, together with G. E. Barrett & Co., bankers, will form a joint holding organization, Standard Gas Corporation, to control a large proportion of the natural gas industry in Texas and Louisiana, including pipelines running hundreds of miles into neighboring states. The holding company is expected to control most of the properties now in the United Gas System. Electric Power and Light, affiliate of Electric Bond and Share, will be the principal stockholder, it is understood, while G. E. Barrett & Co. and other participants will receive shares in exchange for properties and other assets.

The successful methods of the superpower companies are apparently being transplanted to the natural gas group by interests already prominent in the light and power field. Noteworthy accomplishments in the electric utility industry are already to the credit of Electric Bond and Share, while the Morgan interests have demonstrated confidence in natural gas through investments in certain companies, principally Columbia Gas and Electric, through the United Corporation, a holding company.

The merger now indicated will form one of the largest natural gas systems in the country. Its holdings will be extensive in the Southwest, and its pipelines, reaching as far north as St. Louis and east to Memphis, will facilitate the distribution of more than 125,000,000,000 cubic feet of gas annually. Total U. S. production of gas annually is 2,000,000,000 thousands of cubic feet. The new company will rank with the leaders of the industry, Columbia Gas and Electric, Standard Oil Company of New Jersey, and Cities Service. Other important companies include Lone Star Gas and National Fuel Gas. Oil companies prominently identified with the natural gas industry, besides Standard of New Jersey, are Texas Corporation, Skelly Oil Company, Phillips Petroleum Company, Prairie Oil & Gas Company and the Standard Oil Company of California.

The aim of the gas companies seems to be the extension of large distribution systems to carry the product from the gas fields, where it abounds, to impor-



Pacific & Atlantic

A NEW ENGINE WHILE YOU WAIT

But you won't have to wait long on these new Pickwick buses. Mounting the motor on a sliding track makes it possible to pull it out and put in a new one, all in 15 minutes

RED-HANDED

M. I. Dmitrievsky, Soviet locomotive designer, handles the throttle in an inspection trip over the Burlington line

tant industrial centers. In the East, where Columbia Gas and Electric is dominant, plans are under way to pipe gas into New York and Philadelphia for enrichment purposes. The Texas-Oklahoma-Louisiana fields have effected new outlets by pipe lines to principal cities within a radius of 500 miles. A company has been chartered to construct a 950-mile line from Texas to Chicago, and introduction of natural gas into Detroit is probable.

Nucleus of the new organization will be the natural gas properties of the United Gas Company, already one of the "big four" in the field. The company owns controlling interest in the Houston Gulf Gas Company, the Dixie Gulf Gas Company, the South Texas Gas Company, Dixie Gas and Utilities Company, South Texas Pipe Line Company and the Consolidated Gas Utilities Company. Production of its subsidiaries in 1929 amounted to more than 44 billion cubic feet. It owns also a substantial interest in the Mississippi River Fuel Corporation, which operates a pipe line from Louisiana to St. Louis. United Gas is understood to hold or virtually control all the stock of the Northern Texas Utilities Company.

Electric Light and Power is heavily interested in the Memphis Natural Gas Company, which operates a pipe line from Louisiana to Memphis, and the Natural Gas Producing Company of Louisiana, Panola Oil Gas Company, Excelsior Pipeline Company, Morehouse Natural Gas Company, and the United States Carbon Company.

Electric Bond & Share, it is understood, has been quietly tackling the problem of personnel (a vital one in the natural gas field, which has lacked management ability) and has established a management group as basis for future operations.

The merger now indicated is expected to be the forerunner of a general consolidation trend in the industry.

Coal ► Seek Alliance to Avert Conquest

LEADERS in the coal industry, watching natural gas pipe lines extending in a huge arc southeasterly from Wyoming through the Gulf States and north to the Middle Atlantic region, with feeders tapping the Middle West, are taking a philosophical view of the development. They are concerned over the industry's position after the natural gas supplies are exhausted rather than over any immediate shrinkage in markets or sales volume.

Already there is evidence that natural-gas interests are quietly buying coal acreage against the day when they must send manufactured gas through their pipe lines or abandon heavy investments in them. When that day comes, coal leaders are asking, will the industry be a partner in the "newer gas age" or find itself at the mercy of artificial gas producers?

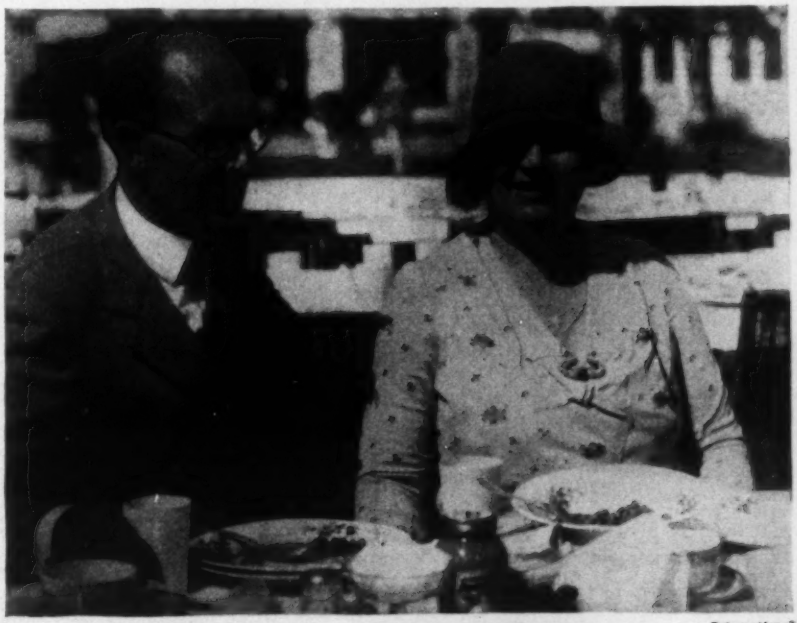
Says *Coal Age*: "Natural-resource industries which are neither natural nor protected monopolies occupy a notoriously unfavorable position when they have no financial partnership in the processes of refinement and manufacture of their products. With the increasing importance of coal as a raw material for manufacturing, the need for this partnership is imperative. Too little has been done toward such coordination."

Aviation ► A Weigh to Promote Flying

PENNY-a-pound airplane rides have revived the short "joy hop" business, long considered dead by commercial flying companies. Curtiss-Wright Flying Service now takes up passengers at the Glendale, Calif., airport on Saturdays and Sundays at a flat rate of $1 for women and children, and at 1¢ a pound for men. The usual price for short sightseeing flights is $5.

The experiment was originally tried on March 9. On the first day, 7 pilots kept 5 planes going for 11 hours, carrying more than 1,500 passengers. The penny-a-pound plan has been used before by small companies with open-cockpit planes; this is the first instance of its extensive use by one of the large companies using tri-motored passenger ships.

Curtiss-Wright officials say the popularity of the new service proves that the public is air-minded, but stays on the ground because of high fares.



International

THE END OF A PERFECT LUNCH

Charles F. Kettering, president General Motors Research Corp., and Mrs. Kettering picnic at Cocolobo Cay near Miami Beach. They're just back from a yachting trip to the Galapagos

TAXI-EXPRESS

These new taxi-trucks, introduced in Hamburg, carry light freight or baggage and one passenger to any part of the city on a metered fare basis

Distribution ► **German Taxis Carry Freight**

European Bureau The Business Week

SOMETHING new in the automobile service line—which could probably be copied to good advantage in many large American cities—was recently started in Hamburg, Germany, when a fleet of fifteen taxi-trucks, especially designed for the hauling of light freight and baggage, began operations. The machines are decorated with the usual checkerboard black and white band of the Hamburg taxi, and line up for business at the taxicab stands just as do the passenger-carrying taxis. The machines are the latest model Citroën trucks carrying ¾-ton of freight. Their taximeters issue a printed receipt for the fare, which starts with a basic charge of 50 pfennigs (12½ cents). The printed receipt is new in Germany.

The taxi-trucks answer telephone calls, and carry any sort of freight to any part of the city. One passenger, to look after the freight or packages, is carried free in a seat beside the driver. Waiting time is charged for at 10 pfennigs for each 2 minutes. Tariff 1, on freight up to 250 kilos in Zone I, adds 10 pfennigs to the basic charge for each 200 meters. Almost the entire city of Hamburg is in Zone I, with outlying suburban territory in Zone II. Tariff 2, on freight above 250 kilos but less than 500 kilos, adds 10 pfennigs for each 150 meters in Zone I, and 20 pfennigs in Zone II. Tariff 3, for goods between 500 kilos and 750 kilos, in Zones I and II, adds 10 pfennigs for each 100 meters.

So far the taxi-trucks have been busy from morning to night, and are especially popular along the harbor front. Anyone who has ever tried to get a small box hauled from one place to another in New York or Chicago would appreciate the establishment of such a line in this country. It should also do well in New York's garment district.

Automotive ► **Death Is Still "Stepping on It"**

LITTLE wonder some foreigners think us a peculiar race. We spend hours reading press reports of the efforts made to conquer psittacosis; we pour out funds and wholehearted sympathy to other peoples in distress from fire, flood or famine; in many ways we indicate our innate soft-heartedness and sentimentality. Still we take more or less for granted the killing each week of approximately 165 persons by automobile accidents.

During the four weeks ended February 22—just about the time of the psittacosis scare—78 large cities of the country reported 564 deaths from automobile accidents according to Department of Commerce figures. The trend continues upward. Not only was this 98 more deaths than occurred during the same period in 1929 but the total deaths for the 52 weeks ending February 22, 1930 were 8,545 against 7,559 for the previous 52-week period.

In only 17 of the 78 cities were total deaths during the last 4-week period less than in 1929; in only 16 cities were total deaths for 52 weeks less. Finally, in only 7 of these cities did these two decreases coincide to indicate that here, at least, concerted and successful efforts are being made to reduce this frightful total of human lives offered on the altar of "Speed." Fort Worth, New Haven, Richmond, St. Louis, Spokane, Washington, and Worcester comprise the honor roll of cities where it is safer to walk or drive than it has been before.

Automotive ► **It Depends on the Local Competition**

SALES of American automobiles in European countries—and the treatment accorded the American car exporter—vary according to the strength and importance of the domestic car industry.

In such non-manufacturing regions as the Balkans, Holland, Spain, Scandinavia, and Turkey, American car imports frequently represent 75%, and sometimes more, of the total sales. A recent compilation of Dutch imports shows that during 1929 sales of American machines were 68.4% of the total. Belgian cars were second with 13%. Counting in American machines imported from Belgian assembly plants would bring our cars to at least 75%.

But in countries with domestic car industries American sales, placed under heavy handicaps, seldom amount to more than 10% or 15% of the total sales. Import restrictions and differential taxation give the domestic product an almost monopolistic advantage in Great Britain, France, Italy, Germany, Belgium, Czechoslovakia, Austria, and Hungary, although they often sell several times as high as the landed cost of American vehicles. Conditions in Czechoslovakia have somewhat improved for American interests recently by the failure of a plan to combine the automobile interests of the Skoda Works, largest small-arms producer in the world and maker of the "Big Berthas" during the war, with those of the Ceskomoravska-Kolben-Danek. Instead, competition between them has increased, for Ceskomoravska has formed an alliance with Brno Small Arms Company, in which the Czech government is financially interested.

The current European agitation in favor of increasing the restrictions against American products is likely to encourage American participation in European concerns and the transformation of foreign assembly plants into full-fledged manufacturing units. General Motors and Ford have already shown the way, with the former's participation in Opel and Ford's proposed plant at Cologne.

Steel ► Russia Places Contract For $182-Million Plant

AN $182,000,000 contract for the second largest steel works in the world has been given to Arthur G. McKee & Co., Cleveland, by the Soviet Government. The $182 millions does not include a $55,000,000 341,500-kilowatt power plant to adjoin the steel works, contract for which has not been let.

This new steel plant will be located in size between Gary and Homestead and geographically in the Troitsk District of the Ural provinces of Soviet Russia. The Novastal (New Steel) project will be a combination of Homestead and Birmingham plus the largest blast furnace installation in the world. It will have a finished steel capacity of 2,100,000 tons; half in rails, remainder in heavy structurals and merchant bars—the latter, the groceries of the steel business.

A town will be erected; 10,000 men are already at work in preliminaries of mining and grading operations. When completed, the plant will employ 40,000.

A body of magnetite ore, similar in nature to some of the northern New York and New Jersey ores, estimated to contain at least 128,000,000 tons, lies adjacent to the works site. An excellent supply of coking coal is available some 200 miles away in Asia and will be tapped by the Southern Siberian Railway now under construction. This coal will also be used in the power plant.

Where Asiatic coal meets European iron ore, McKee's engineers will erect eight blast furnaces of 1,000 tons capacity; 12 to 14 open hearth furnaces nominally of 125 to 150 tons capacity; three 15-ton Bessemer converters. These will produce 2,500,000 tons of pig iron annually and 2,580,000 tons of steel ingots. With no scrap available in Russia, relative pig iron capacity is necessarily larger than in this country.

The McKee organization will design and engineer the plant; will advise on purchases of equipment in this country and Europe; will stand by until Russians become expert operators of the new plant. The Soviet government will supply labor and materials. The contract is the largest to come to this country since the five-year plan was adopted by Josef Stalin and his co-workers. Most of the equipment will be purchased in this country.

The McKee organization has been in business some 25 years; has completed about $500 millions of engineering work. Latest job was a blast furnace at Steubenville, Ohio, for Wheeling Steel Corp., scheduled to be blown in this week. Notable foreign jobs include two 1,000-ton blast furnaces near Calcutta, plant for Bengal Iron & Steel Co., and work now in process for the South Manchurian Railway.

Steel ► Offers Inland To Youngstown

LATEST move in the battle of proxies over the Bethlehem-Youngstown merger is Cyrus Eaton's offer to Youngstown of his $100 million Inland Steel Company of Chicago. Absorbing Inland, according to Mr. Eaton, would give Youngstown diversification of products and other sources of profits it seeks in the Bethlehem merger, but would not destroy its present important, independent place in the steel industry. Mr. Eaton points out that to go East with Bethlehem is to enter a market where competition is merciless, from European as well as domestic producers. He states the structural steel business in the West is more profitable, so that it would be to the advantage of Youngstown to gain diversity through Inland.

Opponents have written to stockholders calling their attention to the fact that Sheet & Tube earnings per share have been about twice those of Bethlehem; that Bethlehem stock is selling higher on an earning basis than Youngstown; that the proposed merger offer of three shares of Sheet & Tube for four of Bethlehem is unfair to the former.

Education ► Summer School For Executives

THE Harvard Business School has planned its Special Session for Business Executives for the month of July this summer. Formerly the Business Executives' session was six weeks. The change has been made because many business men feel that they cannot be away from their desks more than one month.

The courses cover current business problems. The "case system" is used, to promote an exchange of practical ideas by the attending business men. Last summer 224 executives from 145 companies attended. Their average age was 34; they came from 28 states, the District of Columbia and 4 foreign countries.

Courses will be offered in Finance, the Interpretation of Financial Statements, Manufacturing Policies, Public Utility Management, Railway Transportation, Retail Distribution and Store Management, and Sales Management.

Admission is limited to executives, teachers of business or economics, and others specially qualified.

AIRPORT FOR SEAPLANES

It's now under construction at Port Washington, Long Island, near New York City, and when completed will be one of the largest in the world

Production ► Ford's European Survey Shows High Wages Pay

THE great Ford investigation of wages and living costs in European countries, on the basis of which the Detroit manufacturer intends to equalize real wages in Ford factories all over the world, is proceeding. Meanwhile, he is giving his foreign workers the benefit of the doubt by paying them somewhat higher than going rates in their respective countries, and is fairly well satisfied with the results, although some of the countries are not.

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The survey seems to show that production costs are cheapest where the highest wages were paid. The European Ford Company has worked out a method of accurate comparison of production costs in its factories in various countries, so that it can compare how long it takes Englishmen, Irishmen, Dutchmen, Frenchmen, Belgians, Danes, Germans, Italians, Spaniards, Swedes, Finns, and Turks to do their jobs. In Denmark, where the highest wages are paid, the company has the lowest costs. In Belgium, where the wages are lowest, costs are highest. In order to reduce production costs in the Antwerp factory the company found it necessary to increase the minimum wages substantially.

Shipping ► U. S. and Japan Bid For Pacific Trade

FOR the first time in the history of transpacific shipping, American and Japanese lines are challenging the leadership of Canadian Pacific's fleet of white *Empresses* in fast service to the Orient. Aided in Japan by government financing and in the United States by the Merchant Marine Act of 1928 and mail subsidies, companies under these two flags are putting large new ships into service and making a strong bid for freight and passenger business.

Nippon Yushen Kaisha, biggest Japanese line, put one new motor ship into service last October, is now building two sister ships, each of 16,500 gross tons, now has 27 ships touching at California ports, Seattle, Panama, New York, and South America. Osaka Shosen Kaisha is also building heavily. The first of three new sister ships for round-the-world service reached California on its maiden voyage on March 5. Altogether, half of Japan's ocean-going vessels are now in trans-Pacific trade.

Among the American lines, Dollar is expanding most rapidly. Two of its *President* liners were reconditioned this year; two new ones, each 650 feet long and displacing 33,200 tons, will go into service in 1931. Four more are planned for later construction.

The Los Angeles Steamship Company has increased its Hawaiian schedule for 1930. Four ships make from 3 to 5 sailings a month throughout the year.

Ten years ago there were 28 steamship lines operating in the Pacific's trade lanes; now there are 70, with more than 87 different services. Of these services, 48 are under the United States flag, the British have 18, the Japanese 11.

International Newsreel

ENGLISH SHIP-OWNER

Viscount Glenapp, and Viscountess, arrived on a Cunarder to visit American friends. His own line is the P. & O., of which he is chairman

Government ► Double Taxation Marks Time

THE Treasury Department's efforts to obtain authorization from Congress to negotiate generally for relief from double and multiple taxation are checked in Congress at present. When taxes were cut last fall agreement was reached that no other revenue legislation would be attempted, at least until the tariff bill is out of the way. Opposition to action on Treasury's measure has arisen from this source.

The problem of international double and multiple taxation of business came into the spotlight again this week. Dispatches from Paris indicate the possibility of France's applying to foreign businesses a tax measure which would be virtually confiscatory. The French law in the case was applied for the first time in 1925 and immediately became the subject of litigation. Under its terms, as high as 50% can be collected.

Although the whole case is tied up in the French courts apparently indefinitely, bringing it to light caused considerable excitement. The United States Treasury may send a special agent abroad on the case.

What the Figures Show

THE current business indicators show very little consistent change, either for better or for worse, during the first two weeks of March. Basic industrial activity continues in the secondary recession that has been in evidence during the past month and general trade is merely standing still, awaiting such stimulation as spring demand may offer. The most encouraging features of the week are the pronounced upward trend in building, and the lack of further acute weakness in commodity prices.

Steel operations continued to decline, at about the same rate as in the past four weeks. The average is around 74% of capacity as compared with 76% a week ago and 95% at this time last year. The Steel Corporation is down from 82% to 80% as against 97% last week. Independents fell off from 70% to 68% as compared with about 93% a month ago. Steel is about back to where it was in the third week of January. As will be seen from the chart on another page, the trend since the middle of February is in strong contrast with that at this period last year, but somewhat similar to the decline that took place between February and March in 1928, though more emphatically downward.

This tendency is plainly a reflection of close adjustment in the steel industry to a slackening of current demand. The authoritative *Iron Age* says that, while scattered evidences of expanding activity are seen in certain lines of consumption, no broad upturn in steel demand is yet in sight. Mills with railroad business, particularly in the Chicago district, continue at a high rate, but increased caution in automobile production is reflected in slackness in sheets and other light lines, particularly in the Valley region. Structural steel business holds up well, with 37,000 tons in last week's contracts awarded, somewhat above the weekly average for the year to date.

Steel prices continue to weaken under slackened demand and scrap prices at Pittsburgh were off somewhat also.

The final Department of Commerce figures of automobile production for February show 323,962 for the United States, an increase of only 50,792 over January and 142,456 behind last February.

THE week's building figures show increased strength. The daily average on a four weeks basis has been moving upward sharply during the past three weeks, following the trend at this period last year and steadily narrowing the gap below a year ago. The totals for the week of March 14 rose 44%, reaching the second highest figure for this year to date, and falling only 15% behind last year. Due to a single large contract for the American Telephone & Telegraph Company, the *Engineering News-Record* figures for heavy construction contracts awarded in the week of March 18 broke all records, bringing the four-week average to the highest level of the year, and reducing the margin for the year to date to only 31% below the same period of 1929.

The rate of bituminous coal production turned upward this week but continued to run from 2 million to 5 million tons behind the production of comparable weeks of all years since 1922. Petroleum production also was at a slightly higher rate for the week.

WEAKNESS in commodity prices continues, but is so much less acute that there is reason to feel that the worst declines are over. The wheat average for the week ending March 15 hit $1.00 again and on some days fell as low as 96 cents. The world's carryover is now close to 600 million bushels, the largest of the past five years, and foreign demand continues slack. Germany again

FIGURES OF THE WEEK

PRODUCTION	Latest Week	Preceding Week	Year Ago
Steel Mill Operation (% capacity)	74	76	95
Building Contracts (F. W. Dodge, daily average in thousands, four weeks basis)	$15,654	$13,821	$17,400
Bituminous Coal (daily average, 1,000 tons)	*1,428	‡1,363	1,733
Petroleum (daily average, 1,000 bbls.)	2,583	2,535	2,625
TRADE			
Car Loadings (daily average, all classes, 1,000 cars)	146	150	158
Check Payments (outside N.Y. City, millions)	$ 5,294	$ 6,374	$ 5,952
Wheat Receipts (1,000 bushels)	5,276	6,238	6,578
Cotton Receipts (1,000 bales)	127	134	210
Cattle Receipts (1,000 head)	*168	‡148	147
Hog Receipts (1,000 head)	*495	‡545	444
Wool Receipts (1,000 lbs.)	1,384	3,894	5,630
PRICES (Average for the Week)			
Wheat (No. 2, hard winter, Kansas City, bu.)	$ 1.00	$ 1.06	$ 1.19
Cotton (middling, New York, lb.)	$ .145	$ .145	$ .214
Iron and Steel (composite, ton)	$34.89	$34.94	$36.37
Copper (electrolytic, lb.)	$ .178	$ .178	$ .192
All Commodities (Fisher's Index, 1926-100)	90.9	91.0	98.2
FINANCE			
Total Loans and Discounts, Federal Reserve member banks (millions)	$16,704	$16,547	$16,430
Commercial Loans, Federal Reserve member banks (millions)	$ 8,821	$ 8,811	$ 8,918
Brokers' Loans, New York Federal Reserve member banks (millions)	$ 3,841	$ 3,720	$ 5,793
Federal Reserve System Ratio	82.5	80.8	71.7
Stocks Sold (N. Y. Stock Exchange, 1,000 shares)	20,435	19,480	23,247
Stock Prices (N. Y. Times, average 50 stocks)	$226.34	$226.16	$243.43
Bonds Sold (N. Y. Stock Exchange, par value, thousands)	$74,964	$54,070	$45,258
Bond Prices (Dow, Jones, average 40 bonds)	94.79	94.25	94.69
Interest Rates—Call Loans (daily average)	3.9%	4.0%	7.4%
Interest Rates—Time Loans (daily average)	4-4½%	4½-4¾%	7¾-8%
Business Failures (Dun, number)	560	527	460

* Preliminary
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raised the tariff on foreign wheat to 77½ cents a bushel. Cotton was somewhat stronger during the week and maintained the weekly average fairly steady. The iron and steel composite again declined to the lowest figure since August, 1928. Copper is still unchanged, but there are growing expectations of a break early in April. The Fisher all-commodity index showed a further slight decline but the National Fertilizer Association index advanced slightly, due largely to increases in butter, sugar, milk, apples, oranges and petroleum.

THE general trade indicators show no improvement. Total freight carloadings, as is usual, declined for the week, by about the same amount as in 1929, and are 7.8% below a year ago. Non-bulk carloadings declined more sharply from the preceding week than they did in 1928 and 1929 and brought the deficit below last year back to where it was early in February.

Money turnover, as measured by check payments, showed about the usual decline for the week. In 131 cities outside of stock trading centers the deficit remains about 9% below a year ago.

Commercial loans of reporting member banks showed a disappointingly small increase for the week in contrast to the usual upward movement at this season, and are about $97 millions behind last year.

The number of business failures increased for the week in contrast to the downturn in the past two years at this time.

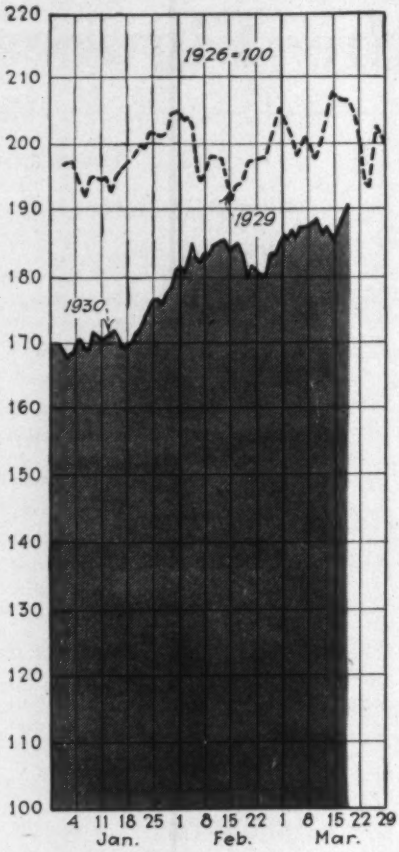
Late information on employment in Detroit shows that the index of the total number on payrolls on February 28 was 108 as compared with 135 February, 1929, 105.5 February, 1928 and 106.5 on January 31.

Money and the Market

MONEY eased. Bonds went up. Stocks were strong. The public is in the market. Business continues dull. That's the story of the week.

The continued slump in money rates is the moving force in the present market for securities. Decreases in interest rates took place during the week in practically every form of short-term loans.

The Bank of England's discount rate reduction to 3½% from 4% was the most striking feature in the steady decline. This is the lowest figure reached since July, 1923, and makes the rate the same as that prevailing in New York. Other foreign banks in smaller countries followed. Decline of rates in the open market pulled the British rate



THE MARKET DAY BY DAY

(Standard Statistics Company's Daily Stock Price Index)

down, and officials, desirous of helping business, were quite willing to let it drop.

This action immediately prompted speculation as to the possibilities of reduction to 3% by the Federal Reserve Bank of New York. Extremely low rates in the open market justify such a step. But early action seems unlikely. The rate now is unusually low, and is showing some signs of stimulating the stock market, which is what the Reserve officials fear.

Roy A. Young, Governor of the Federal Reserve Board, gave further cause for this belief in a speech in the week. The Reserve banks have done their part in aiding business by lowering rates, he said. "It seems to me that others should have more initiative and less hesitancy."

Bankers' acceptances were reduced in rate four times for a total reduction of ⅝% in the week. Rates are now 2⅝ asked, 2½ bid. These rates are the lowest since 1923. Volume of acceptances outstanding at the end of February was $1,623,000,000, a decrease of $68,894,000 in the year but an increase of $395,871,000 from a year ago. The decrease was purely seasonal.

Time collateral loan rates dropped ½% to 3½ bid, 3¾ asked for short maturities. Commercial paper was easier, with some prime offerings at 3¾%, the first reduction below 4%. Most activity is outside of New York, and volume of such paper is increasing.

Call money took a sensational drop, the official rate going down to 2%, the lowest since 1925. In the outside market funds were loaned at 1½%. Less than a year ago, call money went to 20%. New York banks made a general cut of ½% in rates to be paid depositors, a step generally expected. This follows closely behind the same action taken by British banks when a 2% interest rate was set.

Foreign exchange was irregular on fluctuating money rates. The big international flows of capital which have so badly upset the foreign exchanges this year have slowed markedly, and gold movements between important nations seem ended for the time. One reason for the British rate reduction was that other nations had stopped taking gold from either the Bank or the open market in London. England is now free to add to her own holdings. Prevalence of very low rates generally makes early movements improbable. The United States gained $5,300,000 in gold in the week, largely from Brazil.

The stimulating effect of all these easing rates, after several weeks of decline, sent securities prices upward. Bonds have moved up uninterruptedly and bond sales are highest in four years with the exception of one week last autumn.

Stock sales were larger and more different issues were traded in than at any time this year. Industrial stocks went higher than they had since the crash, and utilities and railroads advanced. The general public is becoming more and more active in the market, as shown by heavier sales and increases in brokers' loans.

Brokers' loans rose $121,000,000 this week, following two weeks of large advances. The last three weeks have seen this total go up $352,000,000, which tells a graphic story. At the same time, leading banks in the New York City district are entirely out of debt to the Federal Reserve. Increase in brokers' loans is accounted for by the banks.

The Federal Reserve system continued to buy government securities in sizeable amounts, a significant move. Member bank borrowers were down to $205,000,000, an unusually low total, and acceptance holdings dropped off as the Reserve buying rate was above the market.

February Employment Stationary—at Best

THE comprehensive monthly figures on employment issued by the United States Bureau of Labor Statistics this week again failed to bear out the optimistic implications of the weekly figures which the bureau has been issuing on the basis of smaller samples. According to these weekly figures, employment in manufacturing plants during the week ended February 17 was estimated about 0.5% higher than that during the week ended January 20. These two weeks probably correspond approximately to the periods covered in the comprehensive monthly compilations. The latter now show an increase of only about 1/10% from January to February. This increase is so slight that it is within the probable margin of error of the data and may be considered negligible. The best that can be said for it is that it indicates no substantial change in the number employed in manufacturing industries between the middle of January and the middle of February. The normal seasonal increase between these two months, judging by the past eight years, is at least ten times as great. In 1928 it amounted to 1.5% and even in 1921 to 7%. The smallest increase since 1921 was 0.7% in 1922.

The bureau's figures show that employment in February was 7.3% below last February and the lowest on record since 1921.

These comparisons refer only to manufacturing industries. The combined figures for manufacturing and seven other major industrial groups show a *decrease* of 1/10% in the total number employed. Among these other industrial groups the largest decreases were shown in retail and wholesale trade, metal mining and public utilities. Anthracite mining and hotel work employed a somewhat larger number in February than in January.

The outstanding increases in manufacturing employment in February were 10.5% in stove manufacture, 9.9% in stamped ware, 7.5% in fertilizers, 6.5% in cigar and piano manufacture, 5.8% in millinery, 4.7% in automobiles, 4.4% in glass, 3% each in silk goods, steam fittings, carriages and wagons, 2.7% in agricultural implements, 2.4% in iron and steel and smaller increases in hosiery and knit goods, textiles finishing, men's and women's clothing, cast-iron pipe, mill work, boots and shoes, shirts, foundry and machine shop production, paper and pulp, petroleum, cement, ice cream, flour, bacon, and pottery.

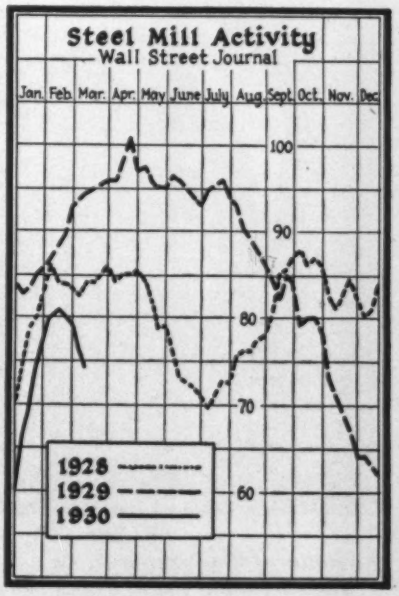
The most important decreases in manufacturing employment were 4% in confectionery, 3.5% in woolen goods, 3% in saw mills, and between 2% and 2.8% each in carpets, structural iron work, machine tools, furniture, tobacco, railroad car shops, electrical machinery, rubber boots, paper boxes, book and job printing, with smaller decreases in cotton goods, rubber tires, chemicals, brass goods, hardware, slaughtering and meat packing, sugar refining, leather, newspaper printing, and shipbuilding.

Payrolls in all industrial groups covered increased 2.9% as compared with January and in manufacturing the increase was 3.5%. The rise in manufacturing payrolls was the smallest for the season since the figures were compiled back to 1923.

An increase in payrolls with practically stationary employment would tend to indicate improvement in the amount of time worked by employees. The bureau's figures, however, do not bear this out. In February the manufacturing establishments covered reported an average of 87% of a full normal force and an average of 95% of full time operation—the same as in January.

When information on employment and unemployment is so scarce and confusing, every scrap helps. Here are a few additional figures to show how things have been going.

The National Metal Trades Association reports that employment in the metal trades in 26 cities in February again turned downward by 1.2% after a rise of about the same amount in January. The declines were marked in Philadelphia, Baltimore, Springfield, Massachusetts, Providence and New Haven as well as in Cleveland and in Columbus. Rises were reported in Syracuse, Indianapolis, Grand Rapids and in the Tri-Cities. Despite the decline, the general level of employment in the metal trades remained about 1% above the 1925-27 average.



In view of the pledge of the railroads to maintain employment, it is noteworthy that the number of employees on Class 1 railroads during January, 1930 was 2.1% lower than in 1929 and 3% lower than in January, 1928. Every group of employees showed a decline over the year except executives, officials, and staff assistants, and the largest declines occurred in train and engine service and maintenance of equipment groups.

Railroad Earnings Cut

Some of the difficulties the railroads have had to face in fulfilling their pledges to maintain employment and proceed with construction were seen in the financial returns of the Class 1 railroads for January. Net operating income was $55,454,416 as compared with $77,175,935 last January. This is an annual rate of return of only 3.98% on property investment as compared with 5.71% a year ago. It is evident that the roads were unable to cut expenses as fast as traffic and revenues fell off. Gross operating revenues were 7.4% less this January than last and operating expenses only 3.6% less, so that the operating ratio increased from 75.8% to 79%.

Business Mortality High

Business failures in February, according to Dun's figures, numbered 2,262, the highest for the month since 1922, 15% above last year's total and 4% above 1928. Liabilities were $51,326,365, 50% above February, 1929, and again highest since February, 1922.

Failures in the manufacturing field formed a somewhat smaller proportion of the total than last year. The largest number and most notable increase in liabilities over the last year were in the lumber and woodworking lines, followed by clothing and millinery, flour milling and baking, and machinery and tool manufacturers. In the trading field, failures of clothing and furnishings dealers were most numerous, followed by grocery, meat, and fish dealers, and dry goods merchants. Agents and brokers also showed a specially large increase in failures and liabilities.

▼

The chart on this page shows the contrasting trend of steel mill operations during recent weeks as compared with the past two years. The downturn continued last week.

Behind Chase–Equitable There Loom Still Greater Mergers

Bank size is limited only by usefulness; American business justifies new giants

MERGER this week of the Chase National Bank, Equitable Trust Company and the Interstate Trust Company of New York brings forward a new leader in the race to be the world's biggest bank. With resources of $1,700,000,000, Chase has been sixth among the thirteen billion-dollar banks now in existence. Equitable has ranked twelfth since December 31, 1929, when it reported resources of $1,013,000,000. Interstate's $85,000,000 brings their combined resources to more than $2,800,000,000. This is $500,000,000 ahead of the National City Bank, relegating the former world leader to second place. Next in order must be listed two London banks—Midlands and Lloyd's; then come Guaranty Trust of New York; Barclay's, Westminster, and National Provincial, all of London; Continental Illinois of Chicago; San Francisco's Bank of Italy; the Deutsche-Disconto of Berlin, and the Royal Bank of Canada, which, with a scant million above the billion-dollar mark, barely manages to peep over the horizon.

F. H. Sisson of the Guaranty Trust Company characterizes capture by New York of first and second places as another proof that the world's financial center has shifted from London to the American metropolis. Hitherto English banks have been the biggest because England held the major position in international business—exports, imports, shipping, insurance, exchange, investments, and banking. But the Guaranty Trust statement of December 31 shows acceptances totaling $192,000,000, mostly foreign bills. Chase National has another $124,000,000, and the other big New York banks add to the grand total. Ten years ago New York banks had hardly any acceptances. Even five years ago, if one bank's acceptances rose to $50 or $60 million dollars they were considered out of proportion, and brakes were applied.

Despite anything English bankers can do the world's financial center is shifting to New York. Wholesale inflation of the London acceptance market failed to stop the shift. But, after all, the movement is wholly natural and inevitable. America is, by far, the richest country in the world. Universal domestic prosperity has created not only unparalleled domestic markets, but surpluses of wealth and savings to be invested and do the financial work for the rest of the world. This is big service, and banks have to be big to handle it. American banks have become huge because of the vast structure of our domestic market. And they will, in all probability, become even larger.

"Our banks have by no means reached their financial growth," said Mr. Sisson. "I look for them to be still bigger. A bank can be as big as it is useful. Growth in size is accomplished only through growth in the work to be done. New sizes of banks have been made practicable by new developments in domestic and foreign commerce."

Henry Bruere, vice president of the Bowery Savings Bank, agrees with Mr. Sisson. He goes farther and predicts that savings banks will also grow to enormous sizes.

"Our bank already has resources of $380,000,000," he said, "but our forecast shows a billion dollars in the decade beginning 1940. We need not forbid big banks even if we could, any more than we forbid big insurance companies or big railroads or big automobile manufacturing companies."

THE three-billion-dollar bank is inevitable, and probably will not be long coming. It may, indeed, be already here. The figures given for Chase and Equitable resources do not include the resources of their securities companies, affiliated investment trusts and other subsidiaries. These probably make up the total necessary for the combination to top the 3-billion mark. But even if so, our biggest bank will then be a billion lower than the 4-billion-dollar Bell Telephone Company, which is the business peak of the universe. Banks seek size for the identical reason that business seeks size. It has a very real advantage in sales and advertising. The giant bank obtains business easily from giant customers. Big financiers seek a big bank to swing a big deal. Middling big corporations like to bank with the world's

"BLESS YOU MY CHILDREN" Ewing Galloway

The statue of Washington on the sub-treasury steps, stretching a hand over the Equitable Trust, whose merger with Chase National impends

Burroughs

Typewriter Bookkeeping Machine

Posts any combination of related records in one operation, such as:

Accounts Receivable

1. Ledger, statement and proof-journal.
2. Ledger and distribution of sales, or cash and other general entries.
3. Installment ledger, distribution of revenue by years, sales by departments and cash receipts.

Accounts Payable

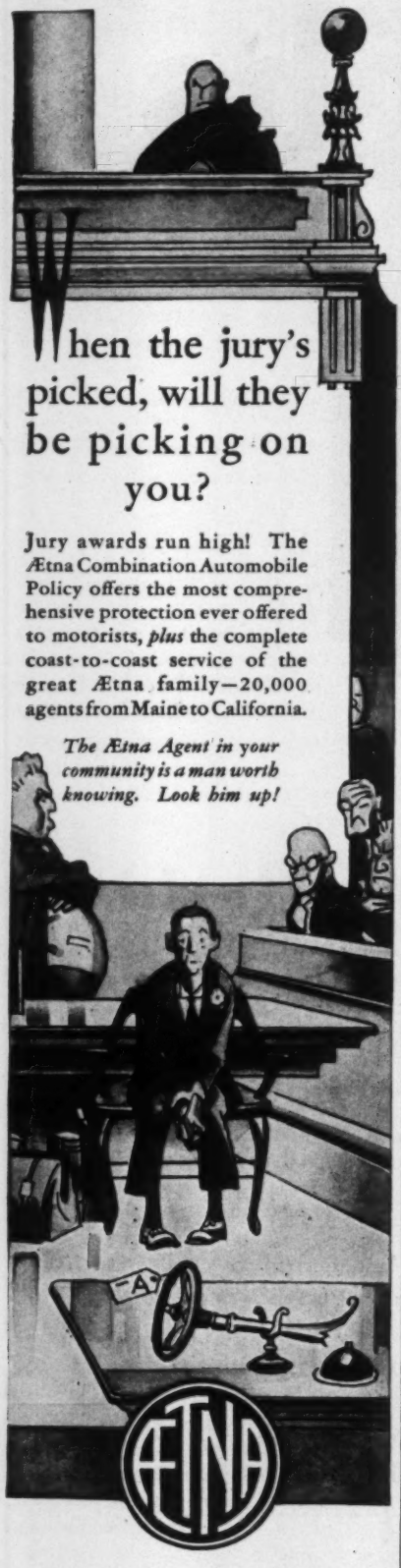
1. Ledger, remittance advice and journal.
2. Voucher, maturity (or due date) ledger and incoming invoice register.
3. Vendor's record and distribution of purchases.

Burroughs features give extraordinary speed and flexibility; for example: complete date—month, day and year—printed by the depression of a single key or automatically if desired; automatic tabulation between columns; automatic alignment of dollars under dollars and cents under cents; credit balances automatically computed, and printed in red; balances and totals printed with one key depression; errors may be corrected before printed or added; electric return of carriage—and many others.

Call the local Burroughs office for information or a demonstration.

BURROUGHS ADDING MACHINE COMPANY
6163 SECOND BOULEVARD · DETROIT, MICHIGAN

WITH EVERY BURROUGHS INSTALLATION GOES BURROUGHS WORLDWIDE, FACTORY-TRAINED, FACTORY-CONTROLLED SERVICE


When the jury's picked, will they be picking on you?
Jury awards run high! The Ætna Combination Automobile Policy offers the most comprehensive protection ever offered to motorists, plus the complete coast-to-coast service of the great Ætna family—20,000 agents from Maine to California.
The Ætna Agent in your community is a man worth knowing. Look him up!
ÆTNA
The Ætna Life Group consists of the Ætna Life Insurance Company • The Ætna Casualty and Surety Company • The Automobile Insurance Company • The Standard Fire Insurance Company of Hartford, Connecticut
ÆTNA-IZE

biggest bank, just as they like to build the world's biggest building. And banks find big customers profitable because their business is in wholesale lots.

But merging two or more banks to form a gigantic new combination has its problems. Many corporations will have had accounts in each bank, and in other banks also, in order to have several sources of loans. If a customer carries $10,000 in each of two banks which have merged, he may feel that $15,000 is enough for the combined account.

"After every merger among the giant banks," said a comparatively small banker, "several juicy accounts drop into our basket. Big mergers in which we do not participate are a fairly important source of growth to us."

Realization of such a shrinkage was one of the reasons for the dropping of last summer's proposed merger of Chatham-Phenix and the Bank of America. It probably also had something to do with the failure of National City to merge with Corn Exchange. In the case of the Equitable-Seaboard merger, however, there was a remarkable lack of duplication in accounts. They thus merged without loss to put Chellis Austin's ability at the head of Equitable, and Equitable probably would have forged rapidly ahead had not Austin died soon afterward. Ever since, or at least for a considerable time, Equitable is said to have been on the market in an unadvertised way. But buyers for a billion-dollar bank don't grow on bushes.

SUCH an important merger as that of Chase and Equitable requires the services of men with vision, financial understanding, executive skill. Fortunately, Chase has two such men—Albert H. Wiggin and Charles S. McCain. A national bank examiner at 23, Wiggin at 36 had been vice-president of four banks, including the National Park of New York. He joined Chase when its resources were only $56,000,000. He promptly went after deposits from manufacturing and industrial enterprises, increasing them from $26,000,000 to over $300,000,000 in 10 years. Chase resources climbed to $1,000,300,000 a year ago when it took over the National Park Bank. By this merger, Chase gained two important assets—money and Mr. McCain.

"That merger was formed partly to get McCain," says a banker. "Wiggin wanted another man as energetic as himself, but a couple of decades younger. No big banking army should depend upon any one general. It should have at least two."

Chase has accomplished 5 mergers since 1921, having previously climbed to second place among New York banks by its own individual growth. The bank's organization has developed an almost perfect technique for absorbing other organizations. In one merger, under the leadership of Wiggin and McCain, the loss by shrinkage was reduced from the usual 20% to less than 3%.

Some bankers declare that the merger of Chase and Equitable is not "natural" and that there is no reason for it save Wiggin's ambition; he wants, they say, to see himself at the financial peak of the world.

"What important service does Equitable have which is not already practiced by Chase?" asked one banker-critic of the proposed merger. "There remains, however, the question of balance between huge departments. Equitable's many foreign offices and strongly emphasized trust clientele may be just the thing to bring Chase's similar facilities to the right volume. At any rate, Equitable needs Wiggin and McCain. Equitable has not been geared to the pace of Chase, but Wiggin and McCain seem willing to undertake the job of gearing it up."

In the new merger bank, to be known by the old name of Chase National, Winthrop W. Aldrich takes the presidency. Son of the late Senator Nelson W. Aldrich and brother-in-law of John D. Rockefeller Jr., he succeeded Chellis A. Austin as president of Equitable last December. Wiggin, as chairman of a new committee to be known as the "Governing Board," will be senior executive of the bank. McCain moves into the chairmanship of the board of directors. John McHugh, of Chase, holds his post as chairman of the executive committee.

Such a combination as that of Chase and Equitable undoubtedly will stir up competing banks to more mergers. National City is not expected to fall back to second place without looking around for a bank able to close the $500,000,000 gap. But there aren't many left that can be used. And whoever seeks to catch up with the Wiggin-McCain combination must be prepared to run swiftly.

▼

AGGRESSIVE air transport plant manufacturers in Europe have the jump on American competitors in the interior decoration of airplane cabins. European manufacturers have found the carefully decorated cabin has wide sales appeal, creates a feeling of security among travelers.

Quantity Production Reaches the Home Builder

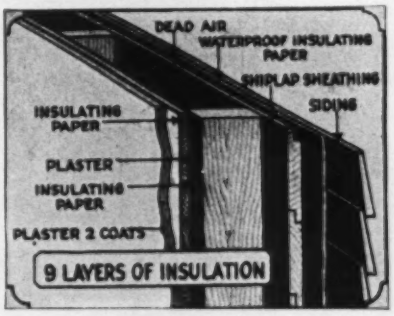
FOR several years mail order houses have been selling ready-cut houses delivered at the building site. Now both Sears, Roebuck & Co., and Montgomery Ward Co. have gone two steps farther. They not only sell and deliver the houses, with every stick and timber cut and numbered, but they also finance and supervise construction.

About all the customer has to do is to say, "Build me such-and-such a house on such-and-such a lot." The company does the rest, and collects over an instalment period of 14 years, 8 months. The purchaser pays $8.56 a thousand a month, which is 6% interest and payment in full of principal in fifteen years, including carrying charges amounting to 1% a year on the material, or about ½% on the entire loan. Savings over time-hallowed methods of building are said to be 18% in materials, 30% to 40% in labor costs.

THE new plan of home building has been in operation only a few months, but both companies have found it exceedingly popular. Before its adoption, Sears, Roebuck & Co. sold about 3,000 houses a year; since the new system of finance and construction went into effect, this total has been greatly increased. A brief outline of the plan has already appeared in THE BUSINESS WEEK (March 5, p. 17). It is now possible to see exactly what happens when John Jones of Chicago or Middletown decides to buy a Sears, Roebuck or a Montgomery Ward ready-cut house.

He looks first of all in the index of the mail order catalogue, under "Homes" or "Houses." If it is a Montgomery Ward catalogue, he finds a little boldface type referring him to page 492, with the added admonition, "Write for Free Special Wardway Homes Catalogue." Turning to page 492, he finds enticing advertising featuring a large picture of "The Devonshire (7 rooms and bath)—payments averaging only $40 a month." It is an attractive house with high sloping roof, L-shaped floor plan, far different from the standardized structures sometimes seen in builders' rows. On the same pages are pictures of "The Cranford," at $35 a month; "The Potomac," at $35 a month; "The Dover," at $30 a month. Says the catalogue:

"We supply materials without any down payment. We advance additional money to help you pay for labor. All you need is your building lot and a small amount of cash if you live in a town of 800 or more. We charge only 6% interest, and you need never worry about refinancing or paying exorbitant rates for a new loan after a few years' time."



NO JERRY-BUILDING

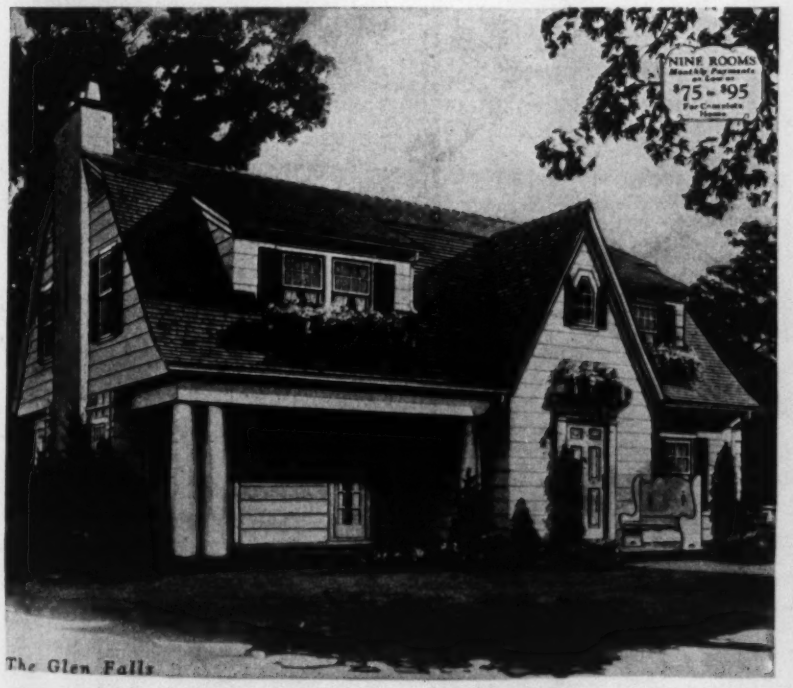
Just to show that ready-cut houses have all the advantages of the best type of construction

JOHN JONES writes for the Wardway Homes catalogue. At the same time he writes for Sears, Roebuck's special catalogue "Honor Bilt Modern Homes." Let us now examine with him the Sears catalogue, which arrives in a few days. In it he finds "100 beautiful designs" offered by the "world's largest builder of fine homes."

"You will find attractive bungalows," John Jones reads, "modernized English one- and two-story types, dignified Dutch Colonials and many other types of architecture which can be constructed of frame, stucco, or brick veneer." One after another these homes are pictured, many in colors. No matter how modern Mrs. John Jones' ideas may be, there are designs just as modern as she is. On pages 99 and 115 are specifications, telling in detail how the homes are constructed, walls insulated. Various types of plumbing, heating plants, lighting fixtures, built-in bookcases, kitchen cabinets and other optional equipment are described.

In the back of the book is an "Information Blank." On the back of this blank is stated: "We are prepared to do the complete construction of any of these modern homes in all of the cities or towns served by our modern home sales offices (see list on back cover) and also in many other cities in reasonable distance of our sales offices. If interested in complete construction write us and we will advise you whether we can undertake it. If not, we can tell you what it should cost."

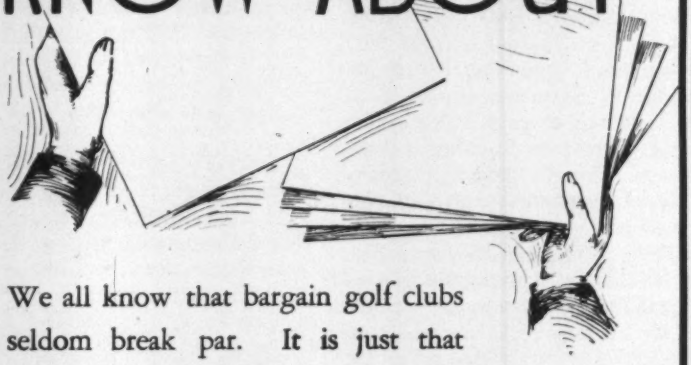
Forty-eight sales offices are listed, all east of the Mississippi and north of the Mason and Dixon line. As yet the company does not undertake actual construction work in other portions of the country. Ward's catalogue for the spring



"MAIL ORDER ARCHITECTURE"

This is what it means today. A bank president and a furniture manufacturer have ordered the "Glen Falls" for their country estates

IT'S THE *Paper* YOU WANT TO KNOW ABOUT



We all know that bargain golf clubs seldom break par. It is just that way with ledger paper.

It is the *paper* in your ledger sheets and records that determines the satisfaction you get in permanence, erasing endurance, strength, folding quality, ability to stand up under the strain. And it's the rags in the paper and the way the paper is made that insure your safety.

Your stationer has learned this many times. Give him a chance to put *good* paper into your work.

DEFENDUM LEDGER

USE BETTER PAPERS — THE BEST PAPERS ARE MADE FROM RAGS — FOR DURABILITY — FOR IMPRESSIVENESS

A National Standard for Ledger Leaves and Worthwhile Records

PARSONS PAPER COMPANY

Over two thousand tons of good rag ledger paper every year

Papermakers at Holyoke, Mass., for 76 years

PARSONS MADE IN U.S.A.

and summer of 1930 lists 15 Wardway Homes sales offices in five states around Chicago. More have been established since the catalogue was printed. Inquiries are handled through retail stores, also. Salesmen are used, Sears having about 350.

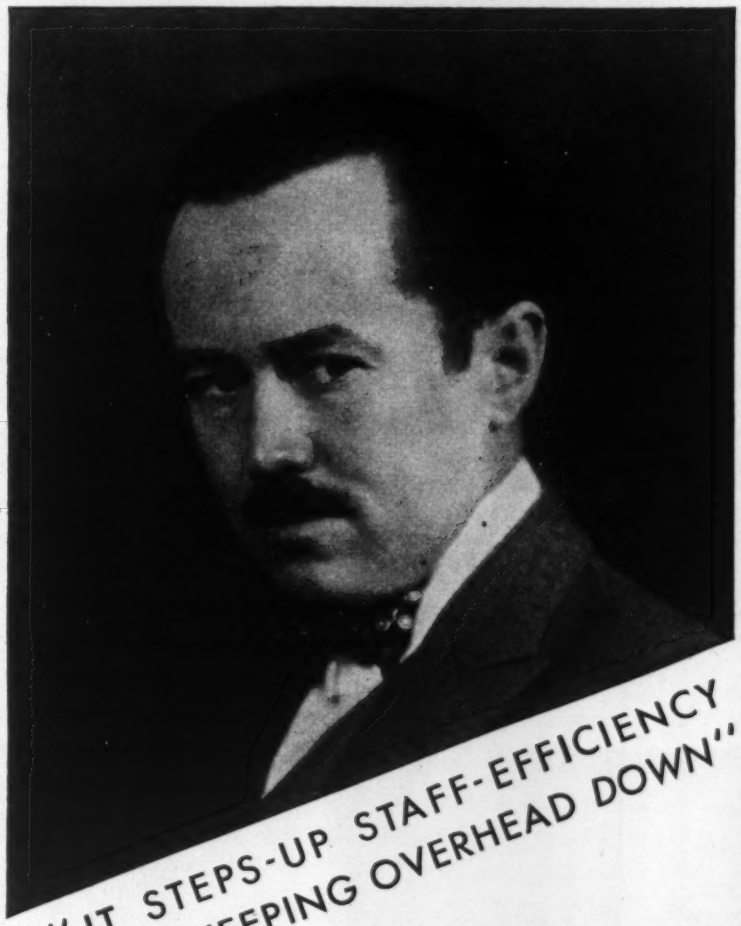
WHEN John Jones fills out the Information Blank, telling just what kind of a home he wants, he gets a definite proposition on it. If he accepts this proposition his references are examined. If he is found deserving of long-term credit, a contract is written.

If the ground on which the house is to be built is 25% or more of the total value when improved, then no down payment is required. Otherwise, Jones must make up the difference in cash. Monthly payments begin four months later. The mail order houses have connections with local real estate men, banks, and building and loan associations, through which reliable appraisals of vacant lots are secured. If Jones, a few years later, desires to pay up balance due he may take a discount of 1% per year for time yet to run on that portion of the cost which represents materials—as 13% if he pays at end of two years.

Construction now begins. Building time will run from 100 to 150 days. The average time is 90 days. The mail order house acts as a general contractor, subletting jobs to local contractors, many of whom have been erecting ready-cut homes for years. Inspectors, attached to the various sales offices, visit each job as work progresses. Frequency depends somewhat upon the job and the contractor. The average is one inspection a week.

No attempt is made to interfere with the local contractor's established methods of hiring or using labor. If union labor is available, it is likely to be used. Economies are sought, but not at the workingman's expense. They result from speed in building, which follows naturally when parts are supplied accurately cut to measure and numbered, each for its place, and when workmen move on from one job to another gaining in skill and experience as they go.

While costs vary somewhat according to locality, freight rates, wage scales, it usually holds true that about half the money John Jones pays goes to local contracting and supply houses, 80% of their quota for labor, 20% for materials. Incidentally, work done on the house by the owner himself is counted as cash. The firm supplies a little more than 90% of all materials going into the ready-cut homes.



ROY HOWARD

Chairman of the Board

Scripps-Howard

Newspapers . . .

says

"IT STEPS-UP STAFF-EFFICIENCY WHILE KEEPING OVERHEAD DOWN"

Mr. Howard sums up his views of the Dictaphone in a few brisk sentences. "It has become a mighty instrument in the hands of modern business," he says. "From the beginning, it steps-up the efficiency of an entire working staff, smoothing the wrinkles out of ordinary office working conditions.

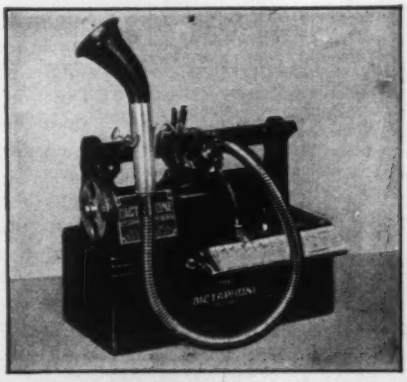
"That in itself," he concludes, "is sufficient merit to warrant its adoption. But there is besides... *Dictaphone economy!* By minimizing effort and establishing a sane routine it cuts overhead down to bed rock."

* * * *

THE Dictaphone brings benefits to every branch of business. And this dictating machine sells itself by its own inherent simplicity... one feature of which, a Featherweight mouthpiece, makes dictating as effortless as talking to your secretary. Let the coupon introduce you to all of these interesting facts—first-hand! No obligation!

DICTAPHONE

The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.



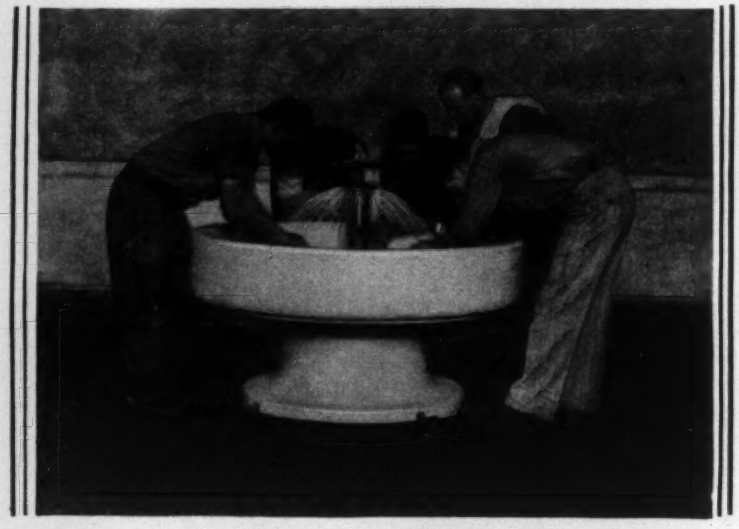
Dictaphone Sales Corporation,
206 Graybar Bldg., New York, N. Y.
In Canada: 33 Melinda St., Toronto.

I'd like to see how the Dictaphone can apply its economy and convenience to my office. Just show me one.

Name_____

Address_____

BRANCHES IN PRINCIPAL CITIES
SERVICE EVERYWHERE



"Our Saving in Janitor Labor ALONE . . . More Than Paid for Our 3 Washfountains"

Shown above is the Type "C" Semi-Circular Wall Type Bradley Washfountain which is particularly designed for washrooms of limited space or where former connections are to be utilized.

The Bradley Booklet "Modern Washroom Requirements," tells the whole story. A copy will be sent on request.

WHEN the Whiting Corporation at Harvey, Illinois replaced their old type wash sinks with Bradley Washfountains they found that two janitors were no longer needed. One janitor was able to clean the washroom twice a day and have 50% of his time left to devote to other tasks. On this basis their Bradleys have more than paid for themselves in saved janitor labor alone.

Bradley Washfountains are making these records in hundreds of modern industrial plants. Saving janitor service is only one of their advantages. Their wide, circular bowls save workmen's time and make it possible for more men to wash at one time in a given floor area. Their central spray furnishes men plenty of clean running water in which to wash; yet a Washfountain that serves ten men requires little more water than one man washing at an individual washbowl. Water savings of 80% are not at all uncommon with Bradleys.

Figure Bradley savings in your plant. See how their low, deep-sided bowls keep every washroom cleaner, more attractive—and, above all, less expensive to maintain. Save the hundreds of dollars that go to waste down your washroom drain pipes!

BRADLEY WASHFOUNTAIN CO.
2225 Michigan St., Milwaukee, Wis.

BRADLEY WASHFOUNTAINS

A-953

Sell $70 Million "On Approval"

LIKE other new departures in merchandise distribution, the mail-without-order business gradually is winning recognition as a legitimate method of operation. The sale of unsolicited merchandise by mail has increased enormously during the past 10 years but appears to be finding its most successful adaptation in the greeting card field, although it is still identified with the sales of hosiery, neckwear, handkerchiefs, and a large variety of other articles. As firms engaged in the business have grown in stature, some of them have graduated into the regular mail order business and no longer ship without first receiving orders for the merchandise. Others continue to operate on the old basis, but the complexion of their business has improved with the gradual elimination of unscrupulous and irresponsible individuals from this field of distribution.

Objections Dying Down

Gradually, the flood of invective and vituperation that has been heaped upon them by storekeepers is subsiding. There is still talk of legislation to prohibit the sending of unsolicited merchandise through the mails, but it lacks the fire of indignation which this topic aroused a few year ago. Representative Watson, of Pennsylvania, is the sponsor of a bill to bar the use of the mails to such enterprise but at a hearing before a subcommittee of the House Committee on Post Offices this week more people turned out to oppose the legislation than to plead for its enactment.

The bill is supported in principle by the Post Office Department, but Walter F. Kelly, assistant solicitor, testified that complaints against the practice are on the wane. Greeting card firms filed with the committee lists of "satisfied customers," 92% of whom, it appears, pay for the cards which are sent to them "on approval." The bulk of the business is reaped in the rural districts but the cities furnish a good grist of orders.

The committee was informed that, all told, the mail-without-order business may run up to a total of $70 millions a year. Describing the Watson bill as class legislation, the opponents of the measure declared that it would discriminate against a lucrative and legitimate form of business. Incidentally, they reminded the committee that this business contributes millions to the government in postal revenue. The bill is dead.

Employers Use Part-Time To Combat Unemployment

Survey of typical cities shows jobless men confident spring means work

UNEMPLOYMENT is a serious problem in America for the first time in nine years. State authorities dispute with federal, who in turn dispute among themselves as to just how many are out of work. But they all agree that there are far too many.

Thorough analysis and survey is all but impossible. Reliable statistics are not to be had. THE BUSINESS WEEK, however, has investigated in typical industrial areas from coast to coast in an attempt to get a fair cross-section.

Several important conclusions appear:

1. The unemployed are about as numerous as in 1921. Whether there are a few more or not quite so many is a matter of dispute interesting mostly to statisticians.

2. Relief measures are not too well organized, probably because the January "false spring" of business revival led the country to believe the problem would disappear quickly. Bread lines and soup kitchens are hard-worked.

3. The jobless are remarkably cheerful. They are not bitter, pay little heed to agitators; are confident open weather will bring work.

4. Employers, in encouraging numbers, have abandoned the old, easy way of discharging men wholesale. Nearly every city reports a wide effort to give work to as many employees as possible. Part time is general; jobs are rotated. The changed spirit since 1921 is notable.

5. There has been some effort to supply public work. Ohio has done the best job of it, as described in greater detail on page 8.

Most striking of all the phenomena is the job-seeker's touching faith in the power of spring. From the East, which awaits "building weather," to California, which awaits canning operations, the story is the same.

New York Draws Casuals

IN New York unemployment is as bad as it was in the winter of 1921-1922 —and in some respects as bad as in 1914. There has been little improvement in the first half of March, which should have encouraged outdoor work by its unusually mild weather. Instead of improving in February, conditions grew worse. The belief and hope is for a more speedy recovery than in 1922. Over-optimistic press statements, however, have retarded relief measures—if everything is coming along all right why get excited?

Every year thousands of casual laborers drift into New York to winter in cheap hotels. This group centers on the famous old Bowery. In former years these were men with little to offer but their hands and their muscles. This year they include skilled mechanics, chauffeurs, sailors, white-collar store and office workers. Five percent of the applicants at the Bowery Y. M. C. A. claim college degrees!

The following compilation is furnished by the Welfare Council of New York City with the caution that the figures are incomplete. The report is from three agencies caring for homeless men —the Municipal Lodging House, the Memorial Hotel of the Salvation Army, the Bowery Y. M. C. A.

	February, 1930	February, 1929
Total lodgings provided	38,313	25,160
Average lodgings per night	1,368	899
Largest number on any one night	1,629	1,168
Smallest number on any one night	988	621

The Municipal Lodging House for the week ending March 13 gave food and shelter to 8,584 men, 158 women, 15 children. Corresponding figures for 1929: 5,592 men, 97 women, 7 children. Of the applicants this month, 514 had never asked for charity before. Demands exceeded capacity of the building. As an emergency measure the steamer *Colonel Clayton* belonging to the city, is moored in the East River nearby, and an average of 250 men sleep aboard her.

The inevitable Lady Bountiful has appeared. In this case she is Miss Marion Spore, who gives out food and clothing with the assistance of the Bowery Y. M. C. A. Hers is instant relief; any man who gets in line is given tickets for food—for shoes and clothes if he needs them. Tickets are handed out on Mondays and Thursdays. There is no limit to the number. Each pasteboard is good for 5 cents worth of food in the Y. M. C. A. cafeteria. Men who look weak and old get four to five tickets. Costs have mounted from $500 to $900 a week. In a single day, 5,000 have been fed.

The Salvation Army hotel has something of the same system, passing out tickets that are honored in three restaurants. Lack of funds prevents them from caring for all applicants. The overflow probably seeks the Bowery "Y" which is close by. Among other agencies giving free food is the Little Church around the Corner (Church of the Transfiguration). It is feeding about 1,000 daily. Twice before—in 1864 and 1907—this church has established bread lines.

Labor agencies along the Bowery report that construction work, which should have opened already, still lags in

International

"WE'LL BE OUT OF HERE BY SPRING"

its demand for men. Early in March the New York City Department of Public Welfare had 23 applicants for every job that was open. The Bowery "Y" finds only 55 jobs for the 150 cared for on credit each night.

Of 115,000 building trades workers in New York, the Building Trades Council guesses 40 to 50% are out of work. Federal statisticians point out that 30% idleness is seasonal, leaving 10 to 20% the result of the depression.

Similar conditions prevail in the garment industry. Of the 70,000 dress, cloak and suit members of the International Ladies Garment Workers Union, 10% have no work; 40% are on part time. Theirs is a short season—from ten to twelve weeks. It ends with Easter. Present conditions are significant since the season should be at its peak. Last year at this date every worker was busy on full time. There is hope of a pick-up during the remaining weeks.

Detroit Shortens Hours

Seasonal unemployment in the Detroit area is more severe than during the average year, but relief is expected from spring revival of the automobile industry.

Factories are employing larger forces by instituting shorter days and weeks.

Bread lines have been avoided by the activity of the Associated Charities and the Public Welfare Commission. In recent weeks the situation has been bettered by the departure of many transient workers.

Chicago Uses Part-Time

Unemployment conditions in Chicago are acute, but the situation is much less serious than it would have been had not the bulk of the city's manufacturers installed systems of part time employment and shorter hours, thereby taking care of many men who had previously been out of work.

The big Hawthorne plant of Western Electric Company, next to Ford's the largest factory in the country, has not laid off many. Employment there today is 37,000, only 2,000 less than last year's peak. Of these 4,000 are making talking picture equipment. Grigsby-Grunow, second largest plant in Chicago, employs 9,000 workers now, against 13,500 last year.

Coming of spring promises to ease the situation somewhat.

Most charity, relief and employment officials declare conditions are worse than in 1921, a statement which is substantiated by the monthly index figure of the Illinois Free Employment Service, a government agency. In January, 1921, there were 329 applicants for each 100 jobs registered by employers; in January this year there were 343 applicants, and in February 309. A significant feature is the high type of the men out of work. Said the Rev. David E. Gibson, in charge of Cathedral Shelter:

"We fed yesterday a man recently fired from a $6,000 sales job. Unemployment has been much worse than in 1921, but may be a shade better now."

Neither employers nor labor unions have any organized relief plans of any consequence. The Free Employment Agency and the Association of Commerce sent letters to 6,500 employers asking them to create jobs by going ahead with needed repairs and improvements. The response was negligible and no better results were obtained by an attempted follow-up campaign by telephone. Most employers say that if they hire anyone it will be the men they have laid off. Radio appeals for jobs are now being made.

International

THE MEAL TICKET

It is impossible to ascertain the number of unemployed in Chicago. Industrial employment is down about 20%. Chicago always has a large winter army of unemployed—Great Lakes sailors, harvest hands, pick and shovel men. This year there are more than ever.

Cleveland Rotates Jobs

No agency compiles statistics on unemployment as such in Cleveland. The monthly employment index of the Chamber of Commerce now shows a reduction in employment of about 5% since September. A small improvement was noted in January, but it was not maintained in February.

Employers have made no formal agreements, but as in 1921 have generally rotated jobs, shortened hours, and retained the men who most needed work. The municipal government has been trying to employ as many men as possible on street work, but no longer maintains an outdoor relief department.

The normal average number of meals given away at the Associated Charities is 400 daily. Recently this has been increased to 1,000. Total relief expenditures of Associated Charities in February were $53,189, twice the amount expended in February, 1929. There are now 4,080 major cases on the Associated relief rolls. The Salvation Army is feeding 300 persons daily, twice as many as during corresponding period of 1929. The state-city employment bureau, if unable to provide jobs, distributes meal tickets which are good at the Associated Charities.

Bread lines are discouraged in Cleveland because they attract too many idle men from other cities.

Pacific Coast Gets Drifters

The situation in the Pacific coast area, especially in Los Angeles and San Francisco, was complicated by the fact that more unemployed men than usual drifted in to spend the cold months. The San Francisco Union Labor Council reports 15% of all classes of union labor out of work; 50% of men in the building trades.

The Industrial Association, while considering the situation better than two years ago, places unemployment at about 18% of the total workers. Conditions are improving daily; outdoor work has begun, and men are finding work at the canneries, which have begun to pack early products. Engineering construction in northern California is below normal partly because spring is late and partly because the early fall last year permitted much work to be completed. Building permits in San Francisco in January and February were about half last year's total.

The Community Chest, which cooperates with 107 charitable organizations, reports less unemployment among migratory single men than last year. Craftsmen, office workers, older men and women are appealing for aid in larger numbers. Heavy demands are being made upon the soup kitchens.

Colonel A. W. Crawford, of the Salvation Army, completing a survey of eleven Western states, reports:

"Seattle showed 40% less exporting than a year ago, 30% less lumbering and millwork, 50% less employment. In Port-

It had to be good to get where it is

Drink Coca-Cola
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land and Spokane the situation was also more serious than at any time in three years."

In Los Angeles the Central Labor Council reports the worst year since 1907, with from 90,000 to 100,000 men idle. Most are non-union workers. The larger Los Angeles plants are hiring nobody; many are laying off workers. Consolidated Steel, with a payroll of 3,000 has laid off 1,500 since January, and has hired but 3. Extreme relief measures have not been found necessary in Southern California.

Records of the Los Angeles Chamber of Commerce show that the unemployment depression began in November. Early reports for March indicate a gradual uptrend. This should become more pronounced as jobless visitors return east, and as the vegetable and fruit harvesting season begins in April. Motion picture studios are beginning to pick up, and increased construction soon should also help. Utility, railroad and city projects planned for 1930 in Los Angeles total $500 millions, 20% more than last year.

Milwaukee Reduces Hours

Unemployment in the Milwaukee area is much greater than last year, but does not seem to have reached especially grave proportions. It is certainly less than in 1921.

The Wisconsin Industrial Commission, reporting figures from 194 plants, says that employment dropped from 56,000 last August to 51,400 in January, a decline of 8%. In metal-working plants surveyed by the Milwaukee branch of National Metal Trades Association, the drop in employment is less than 10%.

Relief organizations say that the number of families requiring relief this year is greater than last year in the ratio of 2 to 1¼. But single men have asked less relief. In general, manufacturing plants have reduced hours to give work to as many as possible.

A soup kitchen supported by private contributions and administered by the Mayor's office opened March 5, and is now serving 1,500 meals. The kitchen was started without an adequate survey of demands on established relief agencies, who reported no considerable pressure on them for aid. Many believe that the kitchen was entirely unnecessary and was nothing more than a political gesture.

St. Louis Awaits Spring

There is considerable unemployment in St. Louis, but there are no bread lines or other outward signs of distress. Neither employers nor trade unions have undertaken any organized relief plans. Open weather since March 1 has brought about a considerable resumption of outdoor work, and there is wide-spread expectation of improvement.

Workers in the building trades have been hardest hit, about 10,000 out of 18,000 having been without jobs for several months. Several unions have loaned money to needy members, but since March 1 the number of applications for this relief has declined.

Associated Industries of Missouri reports no noticeable reduction in dues paid by members, which are based on payrolls. Central Trades and Labor Union finds unemployment serious, but has taken no remedial measures. David Kreyling, secretary of the union, estimates the number of men out of work in the St. Louis district at 35,000. Most of the unemployment in the building trades has come since Christmas, and has not been of long enough duration to cause acute distress.

Since January 1 the number of passengers carried by the street railway system has decreased about 5%, due to unemployment and industrial depression.

St. Paul Pushes Public Works

IN the St. Paul-Minneapolis area the unemployment situation is considered more serious than at any time since 1921. The State Commission of Labor and Industry says unemployment has increased gradually since September. The first two weeks of March showed no improvement over February.

There are no bread lines. The Salvation Army, Gospel Missions, relief bodies generally, report larger demands for aid than in several years. United Charities says relief demands due to unemployment were not quite so numerous in January and February as in the corresponding months of 1928 and 1929, but were greater than at any other time within the last eight years. Several private employment agencies have been closed because they could offer no jobs.

Work will be pushed on St. Paul's $15,000,000 public improvement program. It was adopted partly to provide work, and will continue throughout this year and 1931. Railroad demands for track and construction labor are slow in developing this year, but will soon require several thousand men. The early thaw, hindering logging and pulp operations, has added to the existing oversupply of labor. The railroad unions have called a meeting to discuss the feasibility of a six-hour day, but as yet have made no definite demands.

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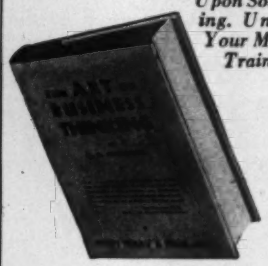

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Artificial Wool Manufacturers Start After Rayon's Record

TEXTILE circles are watching with interest current effort to speed up the development of "artificial" wool manufactured from vegetable fibre, and are wondering whether another industry, comparable to rayon in size and importance, is on the way.

Artificial wool is today being used for suitings, felts, carpets, blankets—in fact, nearly every type of wool textile product. While none of the large textile manufacturers have accepted the fibre as yet, the half-dozen companies specializing in its preparation, each with a secret process for treating it, seem assured of extensive growth. The combined production of these companies for 1929 was approximately 10,000,000 pounds as against the 300,000,000 pounds of scoured sheep's wool used annually in this country. So the "vegetable sheep," while apparently moving fast, still have much ground to cover.

The raw material for artificial wool is, for the most part, ramie, a fibre-bearing plant grown principally in China, Japan and the northeastern provinces of India. American manufacturers are making an apparently successful effort to grow the plant in this country, principally in Louisiana, California, and Florida. The Ross Products Company of Brooklyn has 12,000,000 ramie plants under cultivation in Louisiana.

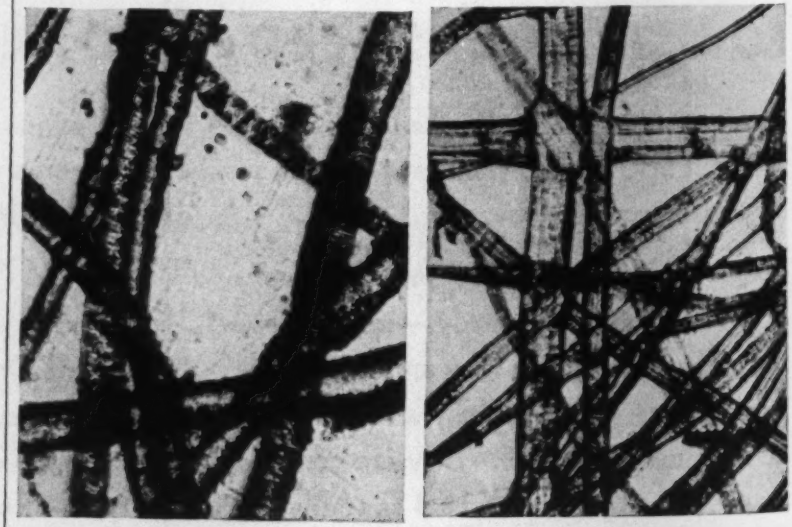
The ramie as it arrives at the processing plant resembles dried yellow straw. It is known in this form as "China grass." It is first treated mechanically and chemically to remove the gum, then subjected to a bleaching or mercerizing process to give satisfactory color and feel. From this process comes desirable wool-like crinkle. When fully treated, it emerges as spinnable fibre.

The cheapness of the raw material is, of course, the great incentive in the development of artificial wool. At this stage of the new industry, accurate cost figures are, naturally, difficult to obtain, but it is safe to say that the cost of artificial wool is approximately one-third that of the "real."

Observers in the textile industry do not see any possibility that the development of artificial wool will bring lower-priced clothing, although its use may develop better wearing qualities in clothing now sold at popular prices—that is, up to $22.50. The fabric cost in popular-priced clothing is a relatively small item. Cost of tailoring remains the same in both instances.

However, it is pointed out that wide use of artificial wool fibres, displacing real wool, might tend to hold down wool prices just as wide use of rayon has held raw silk prices down.

The finished product made from artificial wool is not as soft and pliable as the "real" wool; it is coarser and has less resiliency. On the other hand, it gains in strength when wet and its wearing



REAL ARTIFICIAL

These micro-photographs of the fibres, taken at a magnification of 140 diameters, reveal clearly the difference between real and artificial wool. Compare the flat, ribbon-like quality of the artificial with the rounded cross-section of the real thing

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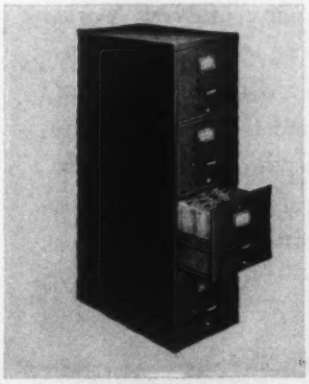

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qualities are apparently comparable to those of the "real."

Although products made entirely of artificial wool yarn are appearing, and promoters are of the opinion that they have an important place in the field, the textile industry seems to believe that the principal future of the fibre is in its use as an adulterant with suitings, blankets, carpets and similar products, which will be a combination of fibre mixtures.

Among the principal manufacturers of artificial wool fibres in this country are the Ross Products Company of Brooklyn, manufacturers of Woolike, the Basch & Greenfield Company, of Newark, N. J., with a product known as Nufi, the American Manufacturing Company, of New York, with Ramite and the Long Textile Fibre Company of Vinton, Va.

Pay Salesmen on Worth, Not Sales

LEEDS & NORTHROP COMPANY, of Philadelphia, has been using successfully, for the past 5 years, a unique plan for the compensation of industrial salesmen. Instead of concentrating the rewards on one element of sales service, it takes into consideration other services which cannot be quantitatively measured, such as reputation building for sales in future, and cooperation between salesmen and technical men. The plan provides annual bonuses for executives, sub-executives and the sales force, all based on earned profits. The division of the bonus to individual salesmen is on prearranged proportions, mathematically derived from a size-up of each salesman on the previous year's performance and set before the beginning of the bonus year. Each man's bonus is a set percentage of the taxable income, which is published monthly, so that he can watch the growth of his bonus prospects. It may vary from a few per cent to a quarter or even half of his taxable income. The remainder is salary.

The plan was explained by C. R. Cary, vice president of Leeds & Northrop Company, at the first national conference of the Industrial Marketing Division of the American Management Association, held recently in Chicago. He declared that the plan tends "to give dignity to the man and to tap, not alone his sales instincts, but also all of his business instincts and abilities." The conference was of especial significance as providing the first opportunity for sales managers of industrial suppliers, equipment and power manufacturing concerns, to meet and talk over common problems.

"Langley" To Go On the Map

SO long as the Armstrong seadrome project remained a "project" in drawings and Sunday feature stories, it was not taken too seriously. Now, with contracts let, construction under way, plans made for installation within the year, the flying public, at last, is interested. Langley station may become a mailing address, an air stop, midway between New York and Bermuda before the end of the year.

Says *Airway Age* in reporting progress on the building of Langley:

"The project of the first drome between New York and Bermuda is financed to the extent of over $2,000,000 by a group of individuals among the officers of General Motors and the DuPont interests. Neither of these concerns, as such, has any holdings in the venture, and stock will not be available to the public until after the Langley has furnished conclusive proof of feasibility.

Who's Building It?

"Details of design from the naval architects' point of view, as well as supervision of construction, have been undertaken by H. J. Gielow & Company, naval architects. Black & Bigelow are making the route studies and are handling the architectural features of the superstructures, layout and design of shops, hangars, and hotels. The Belmont Iron Works, bridge builders, are building the structural parts of the drome, and the Sun Shipbuilding Company, the submerged parts and tanks. John A. Roebling's Sons Co. have designed and are making the cables. The anchor will be furnished by the Baldt Anchor Co. of Chester, Pa. Power and lighting equipment will come from the General Electric Co., radio equipment from the Radio Corporation of America, while the Bureau of Standards is helping materially in the design and test of beacons. The Sperry Company will furnish the searchlights as well as the gyroscopic compass for the radion beacon. The winch to take up the slack between drome and anchor buoy will come from Lidgerwood, as will the system used in transferring supplies from boats. Merritt, Chapman & Scott will undertake the work of towing the drome to its place. The Navy made the sounding survey."

Thus mechanically will islands be made and placed in the ocean, and airplanes helped along their transoceanic routes.

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We Are Debtors On Short-Term

AMERICANS owed foreigners $1,603,434,000 net on short-term account at the first of this year, an increase of $13,000,000 in 12 months. That balance, drawn from the new and interesting data on short-term money movements released last week by the Federal Reserve system and Department of Commerce does not, of course, take into consideration the long-term indebtedness of foreigners to this country, totaling more than $20,000,000,000.

Foreigners had $3,087,281,000 here at the end of the year, or $191,000,000 more than a year earlier, the figures show. Such a total compiled before the stock market crash would have been much higher. Millions more sent here to take advantage of our high rates had been repatriated by the end of the year.

Americans had only $1,483,847,000 abroad at the year-end, an increase of $178,000,000 during the year—largely accounted for by the liabilities of American banks for unmatured bills drawn by foreigners and accepted by these banks.

Acceptances Led Increase

The greater part of the foreign money is here as deposits, totaling $1,652,000,000. This total increased heavily during the year. The figures show that foreigners put $270,000,000 here in brokers' loans—a drop of $62,000,000 during the year. They had $61,000,000 worth of Treasury certificates, $100,000,000 less than a year ago. The big increase came in the American acceptances held abroad—$891,132,000 as compared with $564,000,000 a year earlier.

American deposits abroad are much smaller than foreign deposits here, totaling only $189,740,000. Liability of American banks for unmatured bills drawn by foreigners and accepted here makes the largest single item, $768,000,000. Overdrafts and miscellaneous advances constitute most of the rest.

Won't Be Called Home

The United States would face a huge gold loss—equal to the total of our indebtedness to foreigners—if this money were called home. But the department points out that much of the total is immobile. Some is in the reserves of central banks, some in deposits required by Americans for long-term loans, some in deposits to be used for paying off indebtedness here, and much is necessary for the regular course of business.

The Mergers Start Again; Utilities in the Lead

The market is more favorable, money is easier, but economy is the big urge in 1930

THE merger trend in public utilities has started up again after the long lull following the stock market crash. Railroads lead the revival with the Interstate Commerce Commission's consolidation plan. Three chief developments have been the merger of the Northerns, the Rock Island-Frisco combination, the projected Van Sweringen transcontinental line. The lid's off in the bank merger field with Chase, Equitable and Interstate coming together in New York as the world's biggest bank.

Henry L. Doherty has added another unit to his far-flung Cities Service Company by acquisition of Federal Light and Traction Co. Federal is one of the oldest of the utility holding companies with 22 subsidiaries operating in the South, Middle West, Northwest and Canada. Electric light and power, water, and electric railway companies are included.

Out on the Pacific Coast, Pacific Gas and Electric is reported to have acquired Great Western Power of California, eliminating considerable duplication of facilities. Great Western was acquired from North American Company which is said to have taken stock of P. G. & E. in payment. This would make North American the largest holder of P. G. & E., although it would not have control.

Negotiations for the acquisition of United Gas Co. by Electric Power and Light on a stock exchange basis took this week the long step forward discussed elsewhere in this issue.

TWO trends have been seen in utilities mergers thus far. The first is found in the formation of holding companies to own properties scattered over the country with the aim of ensuring stability and promoting diversity in these companies. The second lies in the consistent effort being made to develop sufficiently large companies in each area to obtain the maximum economies and fullest operating advantages.

Consolidation of utility companies in the various areas will probably be followed by the acquisition of smaller companies in the same section. As the ownership and control of holding companies extends far and wide through the country, each successive step will increase the magnitude of the movement. Switching for great operating economy and efficiency may take place.

The arrival of a fair degree of stability in the stock market is of importance to the consummation of mergers, especially where consolidation must come from exchanges of stock of the companies involved. The recovery of confidence favors these deals. Such considerations are, however, secondary, according to Matthew Sloan, who says:

"I don't believe any merger or holding company grouping of companies contemplated on a proper economic basis of bettering service, effecting more economical administration and operation and improving market conditions will be stopped.

"These are the advantages sought, or which should be sought, in every merger of utility properties or consolidation of utility interests. If they are measurably obtainable, the consolidation is justifiable. It can be justified to the people who sit in judgment—the owners of securities and customers—by mutual advantages obtained by them. No change which cannot so justify itself is worth contemplating. In fact, such changes merely give point to the critics of the utilities who claim that we are creating a power trust and seeking to aggrandise ourselves at the expense of the public."

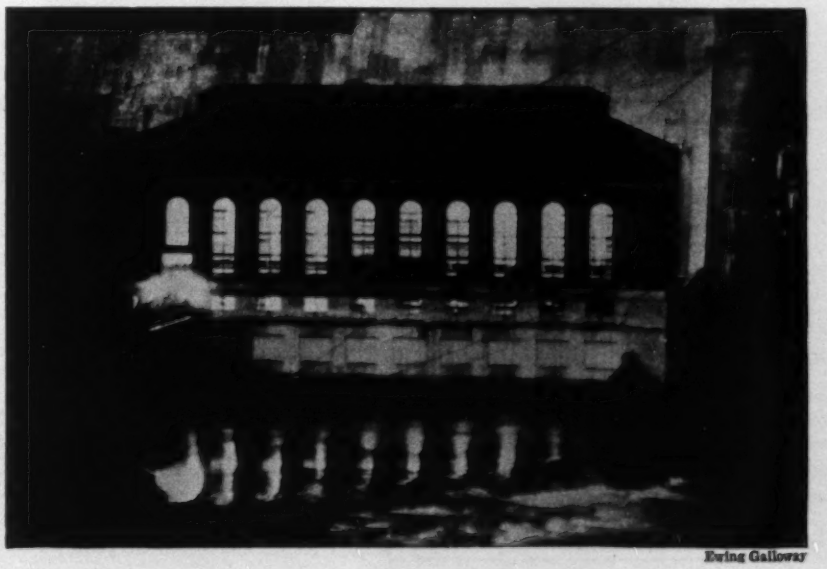
Subnormal money rates are another great incentive to the completion of whatever plans may be held or projected now or in the near future. Especial ease and plenitude of money exists in the New York money market, where both the holding and operating utility companies go. With call money and all forms of time money low and the bond market booming, the stage is set.

Financing in almost any form desired can be done very reasonably—by short-term, stock sales or bond flotation. Utilities, of course, have never had any great difficulty in obtaining funds, and utilities securities of all kinds are among the most popular in the market.

FOREIGN expansion, as well as further domestic consolidation, may be looked for among the utilities at almost any time. The foreign field is much less crowded than the domestic one, already fairly well covered. Foreign holdings already are important, and probably will grow more so.

Investment trusts are another factor which may bring new developments. Utility securities are among the most popular holdings of a great many of the most powerful of the trusts; many trusts hold utility securities only. Only a hazy idea as to the extent of control can be obtained from published statements. It is certain, however, that trust holdings can exert an important influence.

Washington remains uncertain and possibly unfavorable from the merger point of view. Actual congressional action now appears remote, but rumblings continue. As time passes, the probability of passage of any restrictive legislation during the present session becomes more remote. And the attitude of a new Congress may be quite different from that of the present one.



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Wide Reading

TODAY'S ADVERTISERS. *Advertisers and Advertising Agents*, March 15. Second issue of new magazine concerned with activities and achievements of men who are making advertising.

WORKING CONDITIONS IN A RATIONALIZED UNDERTAKING. Paul Devinat. *International Labor Review* (Geneva), January. Study of working conditions in Bata, Europe's largest shoe factory and one of the four most important industries in Czechoslovakia.

CAN THE RESERVE SYSTEM BE INTERNATIONALLY ISOLATED? E. E. Agger. *American Bankers' Association Journal*, March. Reasonable cooperation with Central Banks and the International Bank necessary.

COMPLETE RECORD OF EARNINGS, DIVIDENDS, FINANCES OF LEADING CORPORATIONS. *Magazine of Wall Street*, March 1. Review of 1929 on the various exchanges.

STRIKING INCREASE SHOWN IN LIFE INSURANCE TRUSTS. C. Alison Scully. *Financial Digest*, March. Banking problems in handling this growing business.

LITTLE PEOPLE *vs.* BIG FELLOWS. Jonathan Mitchell. *Outlook*, March 12. Big Business becomes an issue; significant portents.

BOOKS

HARVARD ADVERTISING AWARDS. McGraw-Hill, 133 pp., $2.50. Explanation and review, fully illustrated, of first five years of Bok encouragement of more effective advertising.

MEETING THE BEAR MARKET. Glenn G. Munn. Harper, 275 pp., $2.50. Analysis of present and recent stock markets; informative charts and statistics. Author goes further than books (in contrast with magazines) usually go in dealing with individual stocks.

FINANCING EXPORT SHIPMENTS. F. R. Eldridge. Harper, 231 pp., $3.50. 1930 facts in a single volume, discussed interestingly for new and expanding exporters. Valuable statistical charts for quick reference.

GERMAN COMMERCE YEARBOOK, 1929. B. Westermann, 240 pp., $5. Progress of German industry; peculiar relations in German-American business; statistics, charts.

FRANCE, A NATION OF PATRIOTS. Carlton J. H. Hayes. Columbia University Press, 487 pp., $4.50. Lively discussion of French national psychology and how developed. Helpful background in understanding French market.

THE BUSINESS BIOGRAPHY OF JOHN WANAMAKER. Joseph H. Appel. Macmillan, 471 pp., $5. Vivid story of the merchant who pioneered in advertising, originated the "money-back" custom on unsatisfactory goods.

MASTERING A METROPOLIS. R. L. Duffus. Harper, 302 pp., $3. Authorized popularization of New York's million-dollar regional survey. Optimism for New Yorkers; fascination for city planners, architects, and traffic cranks.

SOVIET ECONOMIC DEVELOPMENT AND AMERICAN BUSINESS. Saul G. Bron. Horace Liveright, 147 pp., $1.50. Details of Soviet accomplishment under the Five-Year Plan; projects ahead, and American participation.

STANDARD COSTS: INSTALLATION, OPERATION, AND USE. G. Charter Harrison. Ronald, 308 pp., $5. Everything about standard costs from good stories to elaborate mathematical formulae, detailing the methods applied by author in consulting experience.

THE TECHNIQUE OF EXECUTIVE CONTROL. Erwin Haskell Schell. McGraw-Hill, 171 pp., $2. Methods of successful executive in handling men. Not vague "personal magnetism," but definite principles. Modern third edition.

TRADE-MARKS. Clowry Chapman. Harper, 166 pp., $4. Methods of research and legal points involved in protecting a trade-mark, at home and abroad. Brief chapters in staccato style.

POLITICAL HANDBOOK OF THE WORLD. Walter H. Mallory. Yale University Press for Council on Foreign Relations, 198 pp., $2.50. Comprehensive survey of parliament, parties, and press of the world in outline form. Significant in interpreting at a glance true importance of daily international news.

ROBOTS OR MEN. H. Dubreuil. Harper, 248 pp., $3. A French workman's experience in American industry. Something different; stimulating.

WALTER RATHENAU. Harry Kessler. Harcourt, Brace, 379 pp., $3.75. Founder of Germany's post-war rationalization of industry. Keen, illuminating.

THE AIRCRAFT YEAR BOOK for 1930. Aeronautical Chamber of Commerce of America. Van Nostrand, 550 pp., $6. Statistics for every branch of the industry.

RETAIL CREDIT PROCEDURE. Norman A. Brisco. Prentice-Hall, 343 pp., $5. Accepted methods in exhaustive detail, including discussion of legal aspects.

INTRODUCTION TO BUSINESS MANAGEMENT. Herbert G. Stockwell. Harper, 276 pp., $4. Duties of various managerial positions, business ethics, personal appearance, methods of gathering and utilizing facts for personal improvement—discussed informally.

REPORTS—SURVEYS

LEGAL PHASES OF COOPERATIVE ASSOCIATIONS. L. S. Hulbert (U. S. Department of Agriculture. Department Bulletin No. 1106) 126 pp. Crucial decisions on farmers' cooperative associations, grouped by subjects, but without any analysis of legal tendencies in this field.

THE AVIATION INDUSTRY AND ITS MARKET. *Collier's*, 42 page study. Unbiased job of surveying aviation — accomplishments, trends, future markets—in which forward-looking business men are as interested as previous generation was in the automobile.

SMALL STORE ADVERTISING. Domestic Distribution Department, Chamber of Commerce of the U. S., 86 pp., 15 cents. Composite views of prominent men in field of advertising on newspaper, direct-mail, outdoor, radio, cooperative, motion picture and display advertising.

OLD AGE SECURITY. Abraham Epstein. League for Industrial Democracy, 36 pp., 15 cents. Rather meaty résumé of well-known arguments in favor of public old age pensions.

"Jim" Campbell Talks Of Mergers, Steel, and Life

"JIM" CAMPBELL sat smoking a cigar at his long desk in the many-windowed room above Youngstown's square.

"For nearly thirty years," Campbell said, "the stockholders have taken my advice, and they have never regretted it. I hope they will not disregard me this time."

In these three decades Campbell and his associates built up a $250 million steel company, Youngstown Sheet & Tube. Now a majority of his directors have approved his proposal to sell to the Bethlehem Steel Corporation.

Never before have the directors seriously disagreed on anything, but now when Campbell is 75 and the company's earnings have never been so high, the stockholders are torn by dissension, have set up rival proxy committees, have opened opposition headquarters right across the square. Cyrus S. Eaton of Cleveland—who has but finished his Republic consolidation—has entered as the champion of the minority of the directorate and of the Youngstown local stockholders who oppose the union with Bethlehem.

"Until two years ago," Campbell said, "everything went smoothly. Then came these mergers. I saw that Sheet & Tube would have to go somewhere. I picked out the best and strongest company we could join. I initiated this deal. I hope and trust the stockholders will approve it."

SIX weeks ago James Anson Campbell left Youngstown on one of his many trips to New York. For years and years, Campbell had gone to New York almost every week. He always stayed at the Waldorf. When they tore it down last fall, Campbell was without an eastern home. This trip he had breakfast with Charles M. Schwab. He returned to Youngstown. When he failed to go on his invariable annual vacation in Florida in March, Youngstown people suspected something was up.

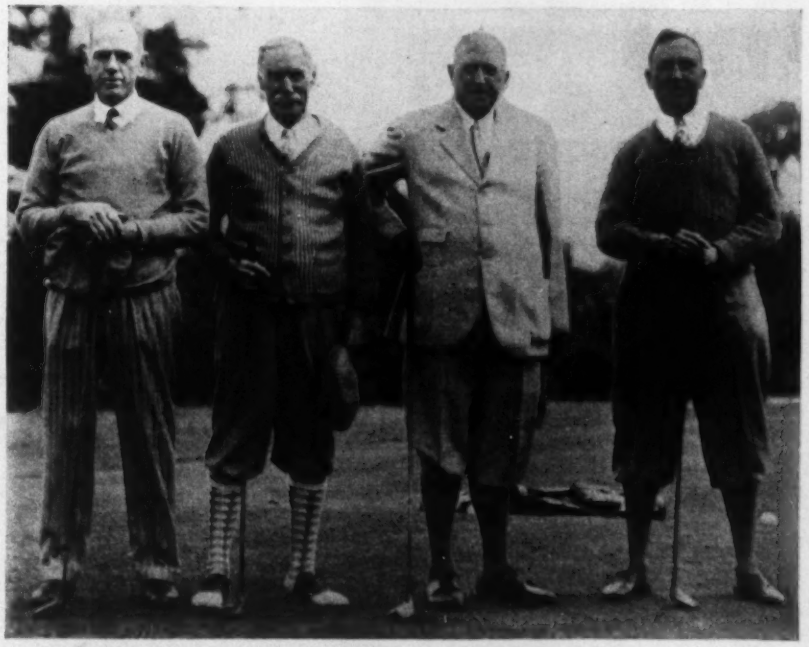
Word that Campbell favored selling to Bethlehem burst like a thunderclap upon the Mahoning Valley. Sheet & Tube—the Valley never calls it anything else—had always been friendly to Bethlehem, friendlier than to any other company. Schwab and Eugene G. Grace of Bethlehem had long cultivated Campbell, playing golf with him in Youngstown twice a year or oftener. But Campbell had so long resisted any merger offers in which Sheet & Tube did not dominate, it had come to be generally accepted that as long as Campbell lived, Sheet & Tube would stand on its own feet. Recently Campbell retired from the presidency to the chairmanship, and said he would not stand in the way of any mergers. Yet nobody appeared to be working on any such proposition, unless it was Eaton, who, as a large stockholder in Sheet & Tube, favored a union with Inland in Chicago.

Eaton appeared to be drafting for the steel industry a sort of four-system consolidation plan. The four would be United States Steel and Bethlehem, as they stand, and Republic, and Sheet & Tube, separately, with accretions. Into the two latter would be grouped more independents as they from time to time elected. The four eventually would embrace practically everything but "captive" mills like Ford's, and certain specialty properties. Campbell believed Eaton wanted to put Sheet & Tube into Republic, but this Eaton denies.

In the Eaton program, two big companies would be New York controlled, two Ohio controlled. When Campbell proposes to marry off Sheet & Tube into another tribe, he cuts across the Eaton designs, and fixes it so that Eaton, build as he may, can never in his lifetime rear anything higher than third. Schwab and Grace had sounded Eaton on coming in with them. He had demurred. Now they were to get Sheet & Tube, the queen of the western independence, her brightest jewel the well-built Steel & Tube plant in Chicago, acquired in 1923.

CAMPBELL is as much a product of the soil of the Middle West as is his steel business. Campbell's ancestors went out to Ohio on the wave of Scotch-Irish migration which peopled that sector of the frontier. Some of his distant kinfolk remained in the mountains, and are there today. He was born on a farm in the adjoining county of Trumbull Sept. 11, 1854. For a little while he went to Hiram College, a few miles away, and he sought to enter West Point, but had to stay and help out at home. His commanding figure would have carried him far in the army.

Unlike most of the Valley steel makers, Campbell never worked in a steel mill. His first job was in a hardware store at $400 a year—he is now chairman of a Youngstown department store—and then he went to another hardware



THE HOME TEAM WON

During this golf match on Campbell's 75th birthday, the merger was planned—or so Youngstown folk suspect. Left to right Eugene G. Grace, president of Bethlehem; James A. Campbell, then president, now chairman, Youngstown Sheet & Tube; Charles M. Schwab, chairman of Bethlehem; Frank Purnell, then vice-president, now president of Sheet & Tube

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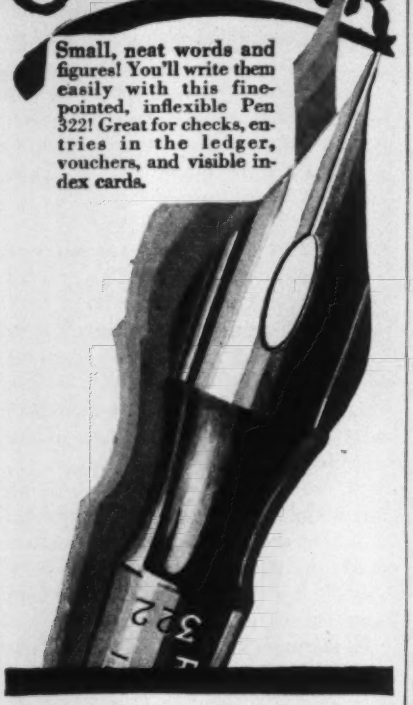
Small, neat words and figures! You'll write them easily with this fine-pointed, inflexible Pen 322! Great for checks, entries in the ledger, vouchers, and visible index cards.



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store in Sharon, Pa. "Bob" Stewart, Mercer (Pa.) oil operator, took a liking to him and asked him to run a furniture store and funeral "parlor" in St. Petersburg. Campbell made such a showing of it that Stewart staked him to $1,000 to start an ice business in Youngstown. Campbell is still president of that ice company.

In 1890, with the ice business going along well, Campbell became superintendent of the Mahoning Valley Iron Co. When that concern was gathered into the first Republic Iron & Steel Co., he represented it as district manager for a little while. But other ideas were stirring him, and with the help of his Youngstown and Cleveland friends, the Wicks, the Mathers, Richard Garlick and W. H. Foster (now on the opposition stockholders' committee) he organized in 1900 the Youngstown Sheet & Tube Co. Campbell had contemplated only an iron business, but the accession of George D. Wick, who became its president, led him to design a much larger and completely integrated enterprise.

George Wick resigned in 1902, and the directors looked around for a national figure to succeed him. Campbell ran the business meanwhile. The directors had been in the habit of consulting H. C. Frick in Pittsburgh, according to one story, and when they were talking over the presidency with him he asked who was running the company. They said Campbell was. Frick had seen how well it was doing.

"There's your man," Frick said. Before long the directors realized they had the national figure they'd been looking for.

LARGE success came to Campbell late in life. He was 50 when he became president of Sheet & Tube. The frugality of his boyhood has never left him. With growing reputation in and out of the steel industry, he became a midlanders' Calvin Coolidge, with maxims on thrift and hard work. His company was thrifty, too, and made no millionaires among its executives, save Campbell. In Youngstown, where everybody knows about everybody else, he is rated at $4,000,000 to $5,000,000, half this in Sheet & Tube stock.

He has never been in any of the little side deals which enrich executives of some corporations. He conceived his obligations to lie first to the stockholders, second to the employees, third to the public. He dealt as personally with his stockholders as with his employees, tolerated no unions, and handled two serious strikes as he copes today with rebellion in the stockholders' ranks. The plain proposition laid down, no concessions.

"I don't know whether I'd enter the steel business again or not," Campbell said on his seventy-fifth birthday. "It's a hard life. You have to work early and late, and study, and give your whole life to it."

In Youngstown he is accustomed to reach the office at 8 or 8:30, but he takes an afternoon off more frequently than he used to. Invariably he stays with the business through the summer while the other men are on their vacations, and just as invariably he leaves in March—except that he did not this year. He used to make a speech now and then in Youngstown, or at the Iron & Steel Institute—not so many lately.

Horsebackriding and hunting were once his sports. Lately he has played golf. His other recreation is reading; mostly economic material.

On summer mornings after breakfast, Campbell walks in his garden with Tique, the police dog, and looks at his dahlias, or he sits on the veranda and smokes a cigar. At the office a box of cigars lies open before him. It's the Youngstown habit to offer each caller a cigar. The Campbell-trained president of Republic—E. T. McCleary—follows the same Youngstown custom.

In his office in the Stambaugh building, Campbell is not hard to see. Youngstown people have the habit of bringing this and that civic project to him. Sheet & Tube leads off in community chests and Y. M. C. A. campaigns.

Campbell wears gray suits, his hair is gray, and his mustache white. His callers see him through a cloud of cigar smoke. Restrained in expression usually, when emphatic he swings his arm and smashes a fist into his cupped hand.

Campbell does not like to be beaten at golf. There was a famous game on his birthday last September. The foursome consisted of Campbell, Schwab, Grace and Frank Purnell, now president of Sheet & Tube. Youngstown people gathered to watch it. Only lately has the significance of the match dawned.

Schwab teed off and put a beautiful shot down the fairway. Purnell, who was a caddy on the same course in his boyhood, did as well as Schwab. Grace was next—history is vague on his stroke—and Campbell followed with a poor one off to one side. And Schwab kidded him about it. But Campbell and Purnell won.

Thus far in the controversy over the Bethlehem deal the opposition committee has not accused Schwab and Grace of throwing the game to the home team, but the fight is getting bitter.

Swift Survey of Business Abroad

EUROPE

By Special Cable to The Business Week

SLOW cycle business depression continues. The trend is featureless, dull, with the total absence of seasonal revival more conspicuous this week. No material changes are expected before world values stabilize and surface fluidity of short-term credit thaws frozen long-term loans. Financing facilities are everywhere inadequate, except in France, where February bond issues nearly doubled any previous record, but this week are contracting.

German promulgation of the Young Plan opens the way for ratification by creditor powers. The British government has already authorized ratification; Italy is expected to ratify next week; and Belgium by the end of the month. In France, however, Opposition parties may seek to embarrass the Tardieu government, though Paris authorities expect the bond issue will be possible by early June unless unexpected difficulties arise.

The tariff truce conference is converging on the French proposal for a one-year fixation of tariff treaties or for autonomous schedules as existing on April 1. It is likely, however, that this schedule will be further narrowed by lists submitted by each country of certain articles to be excepted during the truce.

By Special Cable to The Business Week

Great Britain—Approach of the fiscal year-end tightens money, but the stringency is believed to be transient, while new optimism is springing from the second bank rate reduction to 3½%, strengthened by expectation of the early renewal of relaxation. Gilt-edge securities markedly strong and with good subscription. Rapid sale of Southampton issue signifies revival of investment capital but support of industrial shares is still hesitant. The more confident business tone itself is an asset, but underlying conditions and prospects certainly are not bright.

Restricted basic manufacturing and high unemployment continue contraseasonally, while low forward orders tend to discourage hopeful anticipations that turning point is approaching. February foreign trade for the second successive month is smaller in volume and below both 1928 and 1929. Import losses are chiefly in cotton and wool; export, in iron and steel, machinery, textiles, and automobiles.

Completion of budget estimates indicates current deficit will be, at the minimum, $75 million, with a prospective deficit of $200 million for 1931 on the basis of current tax rates. While some look for no material increase in direct taxes, London City is expecting a sixpence—possibly a shilling—increase on income tax, already four shillings to the pound.

Rejection of the export subsidy clause in the Coal Bill is the first defeat of the Labor government, but, while the position of the government is precarious, the Opposition is unprepared to provoke the election issue. Opinion is general that Labor, if retaining office another year, will defeat itself through failure to relieve unemployment.

The Channel tunnel committee reports favorably on providing a pilot tunnel estimated to cost $28 million to be built over 2½ years. The committee establishes the feasibility of main shafts estimated to cost $125 million, and requiring 4½ years to construct. Also conditional undertaking by a private enterprise is now ranked as future probability.

International

An Old Leipzig Custom

For 700 years traders have sent their best salesmen, tried cleverest advertising stunts on merchants who come annually to the Leipzig fair

Lord Kylsant makes good the report of the King Line that it is his intention in future to form a national shipping combine. Some consider this only a forensic defense of his own interests whose general position is still baffling, although it is evident that recent financial support has been forthcoming evidently from banks previously pressing for settlement.

By Special Cable to The Business Week

Germany—Political confusion continues. Business is unsettled, notwithstanding the final promulgation of the Young Plan. Hindenburg is appealing for the collaboration of all parties to meet the urgent economic needs of the country. While the Upper House passed Moldenhauer's financial program, the coalition parties in the Lower House are divided and deadlocked and are proceeding along elaborate independent programs.

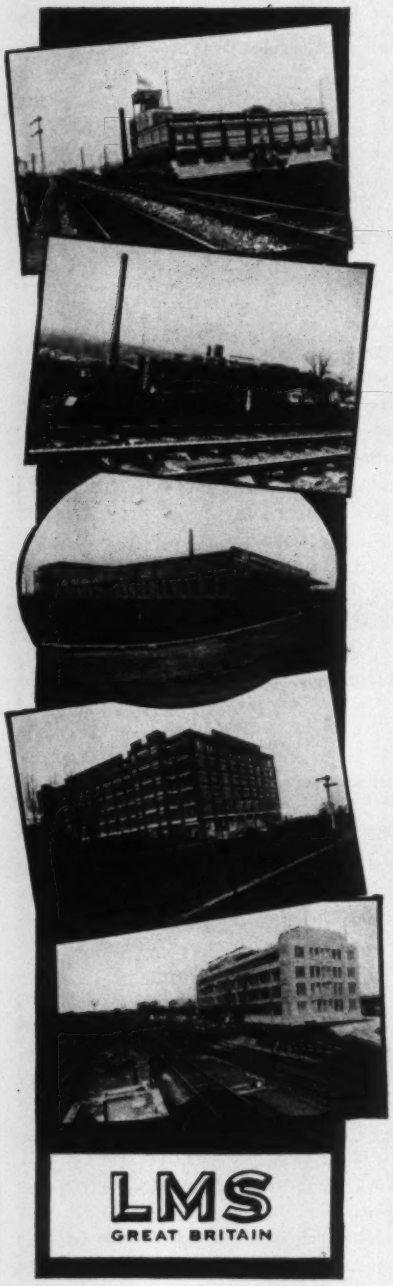
Meanwhile, failure to pass agricultural relief measures has precipitated new turmoil. December's increase in farm products duties has failed to stabilize prices and, following the cessation of government purchases, rye has dropped 15% in a week, to unprecedented levels. The Food Minister asks parliament to authorize the government to make an unlimited increase in wheat and rye duties until prices stabilize, increase barley and sugar duties, establish an import monopoly on corn.

Unemployment shows the first, though microscopic, reduction. Total unemployed on March 8 was 15,000 below the number at the end of February when unemployment reached a peak of 2,378,000. Unemployment in the building trades continues its downward trend, but in the coal industry the trend is upward.

The February foreign trade balance was favorable by $25 million, but there was lower volume of both imports and exports.

The Schroeder Bank of Bremen, closely associated with North German Lloyd, has acquired control of the Hamburg-South America line which is closely allied with the Hamburg-America (Hapag) Line. This, and the recent Lloyd-Hapag agreement on Polish emigrant traffic, is interpreted as evidence of a rapprochement of the two old rivals

"British Made" Gets British Money



American goods manufactured in Great Britain become British goods—"Made in England."

A product stamped, "Made in England," achieves greater goodwill in England than an imported article. It can be sold for a lower price—at a higher profit—than an import, because of the lower cost of British labor . . . With no customs duties, no over-seas transportation charges, overhead expense is greatly cut.

Establish your own factory in England, and manufacture British-made products for British consumption.

A complete listing of factory sites for sale, and buildings suitable for factories—for sale or rent—may be obtained from the American office of the London, Midland and Scottish Railway of Great Britain.

L. M. S. offers a free service to American manufacturers. Photographs . . . plans . . . information as to power and water supply, municipal rates, type of labor available, forms of transport serving the various sites—full details may be had on application.

London, Midland & Scottish Railway of G. B.

Thomas A. Moffet, Freight Traffic Manager in America
1 Broadway, New York City

under the spur of new United States mail contracts, and renew rumors of a merger.

By Special Cable to The Business Week

France—The Chamber finally has passed the Budget Bill at slightly higher levels of $2,000 million revenue, which means an $8 million surplus. Senate action is expected before the fiscal year end, April 1. The measure is characterized as a precarious equilibrium with only petty detaxation, but it is expected to be followed by fundamental fiscal reorganization. This is impatiently awaited by business as the trend of industrial activity continues gradually to drop to lower levels, attended by complete stock market apathy. France, nevertheless, remains the most prosperous of any country in Europe.

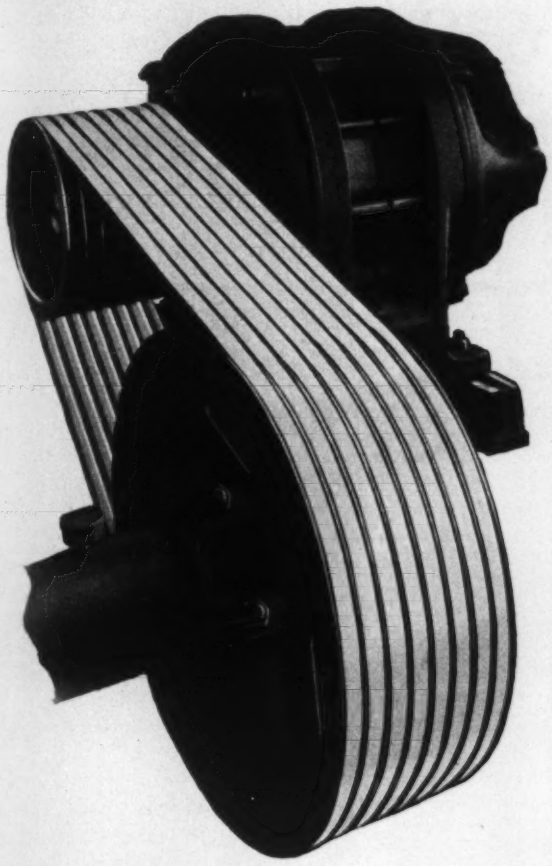
By Special Cable to The Business Week

Belgium—With the approach of the Belgian Centennial Exhibition at Antwerp on April 25, there is anxiety over making a good impression. Business sentiment is yielding to the present economic crisis psychology, which is also reflected in stock exchange inactivity. The volume of retailing has been severely contracted since January. Stocks of glass are piling up, notwithstanding part-time production schedules which have been adopted by the industry. Coal, iron, textiles and leather this week report some improvement in prospects.

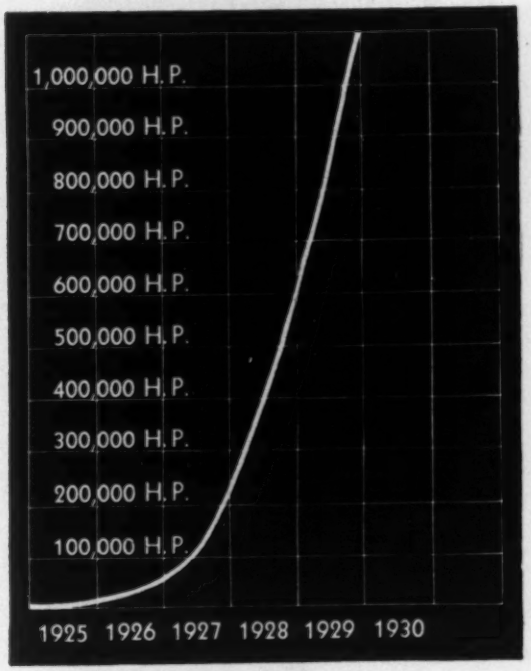
Outstanding issue of the week is the introduction of Federal social insurance, for which gradually formulated legislation is now pending. Industrialists are particularly uneasy over the scant representation accorded them in management under the new scheme, and fear unchecked experimentation.

The Cabinet proposes to create a special sinking fund to retire outstanding $32 million of the American $50 million 7½% 1920 loan. The foundation of a Franco-Belgian commission for colonial study has strengthened expectations for a joint colonial loan. Prospects are renewed for the construction of a Brussels subway and a Scheldt River traffic tunnel at Antwerp.

Business interest is centered on Soviet Russia. The Soviet has liquidated its trade bureau in Paris and moved part of its stocks to Belgium. Belgian metal products manufacturers are collaborating to organize better joint export facilities to Russia. Conversely, the match and linen industries are alarmed by Russian dumping on local markets and there is considerable general sentiment favoring a Dutch embargo on Soviet products as a gesture of disapproval of Russian domestic violence.



The curve shows the amazing manner in which Texrope Drives have leaped into the limelight. Since 1926 there has been a tremendous increase in Texrope sales *each year*. The curve is based on the total horsepower of the drives sold. Similar curves, based on actual number of drives or upon sales in dollars, show the same result . . . an ever-increasing, and remarkably large, demand for Texrope.



This Remarkable Sales Curve Draws Executive Attention to the Product

Executives who have heard the impressive story of Texrope's success have been curious to know about the drive itself . . . and have applied it in their own plants and on their own products with pleasing results.

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Unaffected by moisture or dirt . . . vibrationless . . . clean . . . and 98.9% efficient, Texrope Drives adapt themselves to every condition in industry . . . help to cut costs . . . and, in many cases, help to increase the quality of machine tool products.

You, too, may want complete information. A request, on your letterhead or the coupon, will bring it to you. Why not "do it now"?

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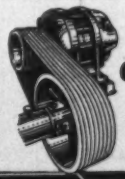

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THE PERFECT TRANSMISSION — **FOR EVERY PURPOSE**

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Standard

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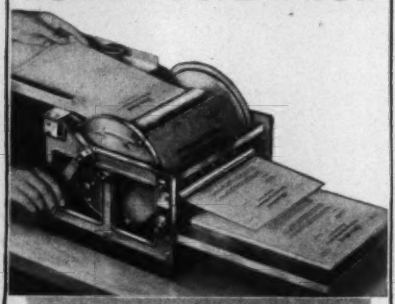
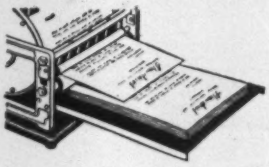
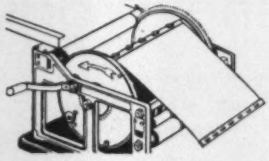


RADICALLY DIFFERENT GELATIN DUPLICATOR

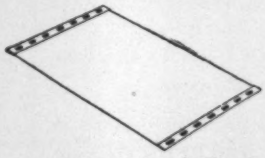
PROVIDES a speedier, more efficient and more convenient method of making copies . . . without any stencil-cutting, typesetting or carbon manifolding.



Delivers copies *Flat* — not curled. Produces 60 copies a minute — 200 to 300 from one original. Uses Bond paper — coated paper not required.



Ten seconds to change Film. Put on and removed like stencils . . . Produces *better* copies and *more* copies.



No washing or sponging the Duplicating Film, either before or after using. Films can be used over and over again.

PERFECT REGISTRATION

Turns out every copy in perfect registration — without particular care in feeding. Simple automatic operation.

Write for complete information

Standard

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OFFICES IN PRINCIPAL CITIES
SERVICE EXTENDED EVERYWHERE

After Office Hours . .

GEORGE WASHINGTON HILL, who made a selling point out of a cigarette manufacturing process and cashed in on his ingenuity will have to doff his "odd little brown soft-felt hat" (see THE BUSINESS WEEK, February 26) to the unknown whose ham sandwich copy for the Hotel William Penn Sandwich Shop in Pittsburgh capitalizes the scratching technique of the hog. Here's why the William Penn sells "Left Ham Sandwiches":

"When a hog scratches his starboard, or right, side, he does a **Charleston** with his right foot. That develops muscles. When he scratches his left flank, he does a gentle shimmy against a tree or post. Therefore, right hams are far more muscular and less tender than those from the left side of the same hog. There are two ways to prove this: One is to watch hogs on the hoof; the other is to test the tender, flavory left ham sandwiches served here."

▼

BUT Mr. Hill probably has his hat already off as he is undoubtedly scratching his head over the current advertising of a competitor, the R. J. Reynolds Company. The makers of Camels have taken full-page newspaper space to admit that Luckies are toasted and that "if any manufacturer chooses to say that the tobaccos he uses contain 'harmful irritants, corrosive acids that are injurious to the throat' and then to claim that these things are removed by heat-treating processes, that is his own affair." Unhappily for Mr. Hill and peace among the embattled tobacco advertisers, this handsome endorsement is spoiled by the further admission that "the use of heat treatment in the manufacture of tobacco is about the most commonplace and universally practiced method in the industry"—and is utterly ruined by the claim that its use in Camel factories is just "to make our good tobaccos better."

▼

IN a solemn four-page ruling, the Federal Government's General Accounting Office has instructed the Department of Labor that it over-paid one of its bills by 11 cents. The issue arose over a correction made in a voucher by clerks at the Labor Department. Some material had been purchased to the value of $5.53. The supply house, however, made a slight error in multiplying the amount on the bill and made it read 11 cents less than it should have.

The Labor Department employees caught the mistake and revised the amount on the voucher to the correct figure. Comptroller General McCurl, incensed at what he regards as the taking of undue liberties with official procedure, has ruled "there must be no increase by way of correction or alteration in the total amount claimed on a voucher, unless such correction or alteration be made by the claimants and then only in the form of a new voucher for the correct amount claimed."

The concern to which the 11 cents is due has decided to forego its payment rather than attempt to put a new voucher through the government's devious channels.

▼

INDESTRUCTIBLE money! Bills that will not wear out! Whether they will last longer in our pockets is something else again.

M. U. Schoop, a Swiss scientist, has developed a method for spraying molten tin on paper in a way which makes it wear, tear and fire proof. Copper, aluminum and other metals can also be used, it is reported. Professor Schoop suggests that employment of definite alloys for the metal sprayed on the paper would make counterfeiting impossible.

▼

EVEN a statistician gets his chance for a snappy comeback. A manufacturer recently wired the Census Bureau: "When will figures on our industry be available stop we have been waiting months for them stop such delay inexcusable"—to which the Census Bureau replied: "All manufacturers in your industry except you filed their reports months ago stop report on your industry ready months ago except for your figures."

The Second Generation

Down the length of the great room goes a steady hum of sound, undertoned with the rhythm of a hundred busy typewriters and the buzz and click of conveyors. It is the Educational Service Division of the International Correspondence Schools, at Scranton, and the morning mail is in.

Watch one letter among the orderly thousands—a letter bearing the postmark of an up-state town in New York. It is opened, and by the deft manipulations of the sorters it moves to a desk far down the room where a clerk takes it from the top of the pile and reads it. An enrolment application for the Course in Business Management, signed by Robinson V. Carter, Jr.

When the clerk has typed the name and information on a yellow card, she steps over to the long line of cabinets where close to four million students' names are filed. And as she is about to insert it in its alphabetical order her eye falls upon another card, old and discolored and worn with many handlings. "Robinson V. Carter" it reads, "Course in Foundry Practice," and the date it bears is 1900.

There is a story of human progress behind those two cards.

Back in the days when the country still echoed to the martial strains of "Hot Time in the Old Town," and Admiral Dewey's picture, laurel-wreathed, hung on a million walls, a young man came back from the war to his job in the foundry. He wanted to get ahead, but lacked technical knowledge. There was a school in Scranton, he heard, that taught all kinds of subjects by mail, and he was interested enough to write and find out.

That home-study course with the International Correspondence Schools gave him his start. He went up, steadily, to Foreman, Superintendent, General Manager. Today he owns the plant, and his son—a college graduate—is studying with the I. C. S. that he may help build the business.

In our files there are many stories of fathers who have won success through I.C.S. study, and are now urging their sons to take the same sound training.

So it is that this largest of all educational institutions is now serving its second generation of usefulness to America and the world.

There is a booklet, "The Business of Building Men," which outlines the vast service the International Correspondence Schools are performing for Business and Industry. We shall be glad to send you a copy on request.

International Correspondence Schools

FOUNDED 1891
SCRANTON, PENNSYLVANIA

MEMBER, NATIONAL
HOME STUDY COUNCIL

FOR WEEK ENDING MARCH 22, 1930

E D I T O R I A L

THE BUSINESS WEEK
A McGRAW-HILL PUBLICATION

The Same Old Cock-Eyed World

THIS is spring-fever season, and business has a bad case of it this year. Business, after all, is just men. They are becoming a bit weary of waiting for the promised quick return of better times; and everything said about it only gives them a pain in the neck. So they grow slightly sour and cynical and join in the general movement for light whines and sneers.

All this is a natural phase. Deflation and readjustment are as inevitable in the business mind as in the securities and commodities markets, and just as painful. It is so long since we had a real business depression in this country that we have forgotten what it is like. Business men of this generation were just getting into long pants or out of khaki when the last one occurred.

Since then there has been slowly built up in our minds, by persistent and persuasive ballyhoo we now blush to recall, the idea that by some special providence or automatic miracle all old-fashioned economic laws had been abrogated, the business cycle abolished, and permanent and unparalleled prosperity assured.

So, when the crash came we simply didn't believe it. We were so fundamentally sound that we were sure to snap out of it and go back to work in a few days as though nothing at all had happened. And up to a few weeks ago we were still ready and eager to believe it.

That's why we have this dismal feeling that someone has let us down hard. We are awakening to the fact that it's the same old world. Like Noah when the waters subsided, we recognize one by one the old landmarks: the bread-lines on the Bowery, the parades of the unemployed, the Communist scares, the tournaments of unemployment statisticians, the official cheerios, the slump in commodity prices, the attacks on speculation, the alarm-pointing to gold reserves, the anti-trust agitations, the cry for cheap money, the eternal tariff revision and farm relief, the kaleidoscopic French cabinets, the mobilization of international crusades against wicked nations, the endless naval conferences and exhortations to faith, hope and parity.

So we begin to settle down and feel at home again. We still cherish our adolescent hope that some day, somehow, we'll find a way to make our dream of universal, permanent prosperity come true. We still believe it possible; we still believe that everyone has a right to it; that service to the consumer is the key to it; that high wages and low prices will promote it; that efficient management, modern machinery and wise credit control will show the way to it.

But we begin to realize that the job is bigger and longer and harder than we thought, and that we have barely begun. We are coming to see, too, that in this task we need less faith in government and more in ourselves; less trust in fine words, fair formulas and subtle statistics, and more in our own experience and common sense.

And when we do we shall take heart again, put our hand to the plow this spring, and look not behind but to remind ourselves now and then what darn fools we were.

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